



SATO ANNUAL REPORT 2024

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The PDF version of the Board of Directors' report and financial statements is not an XHTML document compliant with the ESEF (European Single Electronic Format) regulation. SATO's ESEF financial statements are available on the company's website: [Financial reporting](#).

SATO IN BRIEF

SATO is one of Finland’s largest rental housing providers and an expert in Finnish housing with 85 years of experience. We own around 26,000 SATOhomes in Finland’s largest growth centres, in the Helsinki metropolitan area, Tampere and Turku.

We offer rental homes to our residents in cities, along good public transport routes. Our homes are pleasant, and our residents have at their disposal personal and digital services that make their daily lives easier, ensuring that everything works as it should.

We offer our residents a sustainable way of living and encourage them to make sustainable choices in their daily lives. We contribute to creating safe and diverse neighbourhoods where our residents enjoy living.

We build and maintain homes in a financially viable manner. We minimise the environmental impacts of our operations and ensure that our buildings will last for generations. Long-term profitable business enables our sustainable operations.

// SATO is an expert in Finnish housing with 85 years of experience. We offer our customers a sustainable way of living and encourage them to make sustainable choices in their daily lives.

SATO'S STRATEGY



SATO'S VALUES



Human to human



Be bold, aim high



Joy of succeeding together

44,000
residents

300
employees

26,000
SATOhomes

FINANCIAL KEY FIGURES

95.5%

Economic occupancy rate

38.6%

Solvency ratio

2,599.8

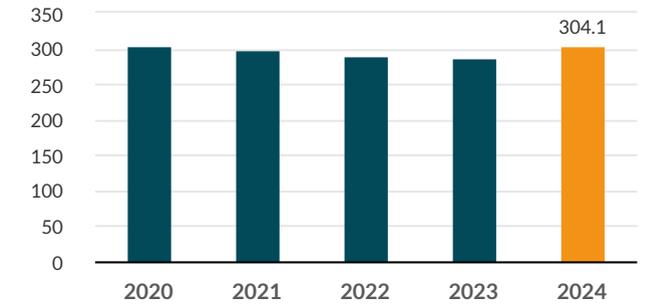
EUR million

Equity

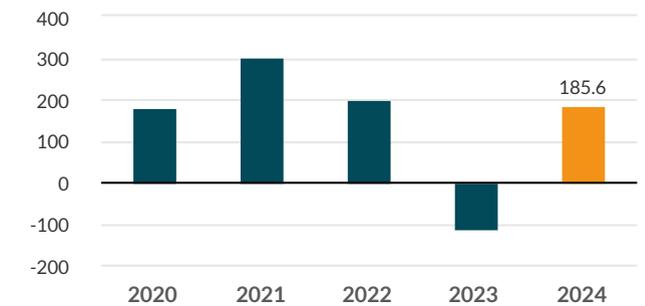


During the reporting year 349 new and 56 renovated rental apartments were completed for SATO.

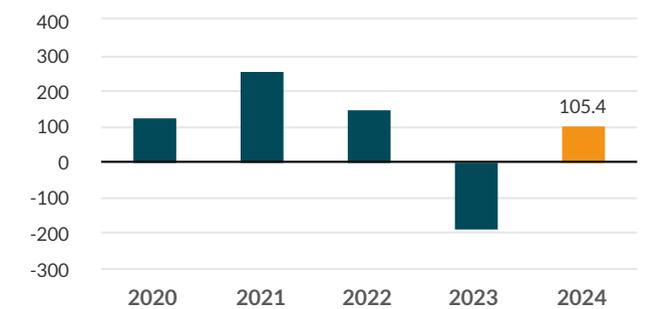
Net sales, EUR million



Operating profit, EUR million



Profit before taxes, EUR million



CEO REVIEW

The 2024 reporting year was challenging, just like its predecessor. The oversupply of rental apartments, consumers' weak confidence, the high interest rate level and general economic uncertainty proved challenging to apartment rental operators. Although residential construction was at a historically low level, the number of previously completed new properties on the market still exceeded expectations, and competition for good tenants continued to be tight. Despite a challenging market situation, SATO's economic occupancy rate and customer satisfaction improved compared to a year earlier.

Enhancing the efficiency of our operations and the implemented savings measures improved our net rental income. Our organisation has now been adapted to reflect the current operating environment and our fixed costs will decrease by around one million euros. The majority of the savings will realise in 2025. The positive development of our net rental income was also impacted during the reporting year by moderate rent reviews and an increase in the occupancy rate.

The company's equity ratio and balance sheet improved. The share issue begun in late 2023 ended in February and we raised some EUR 200 million in gross proceeds from the issue. During 2024, altogether EUR 800 million in new long-term financing was withdrawn, and as a result, our financing needs for 2025 are now covered. In November, the credit rating agency S&P Global Ratings confirmed SATO's BBB credit rating with a stable outlook.

During the reporting year, the economic uncertainty continued even though the high inflation finally began to fall. The European Central Bank began to cut its key interest rate in June and continued with an interest rate cut policy during the second half of the year, which will have a positive impact on SATO's financing costs. In 2025, the economy is expected to begin growing moderately. If employment and consumer confidence improve, we expect this to have a positive impact on the development of the rental apartment market. The outlook is

overshadowed, however, by uncertainties connected to geopolitics and the development of the labour markets.

In recent years, competition between rental housing providers has been tight with the abundant offering of apartments exceeding demand. New construction continues, and at the end of the year, there were still approximately 6,000 rental apartments under construction in the Helsinki metropolitan area. As a result of oversupply, rent increases have fallen behind real costs. The rising maintenance costs may result in higher rents when the housing supply falls.

During the reporting year, 349 new and 56 renovated rental apartments were completed for SATO. Peijinkuja 10, which was completed in December 2024 in Espoo, will be, for now, our last newbuild as, in accordance with the decision made in October 2022, SATO will continue to refrain from starting any new construction projects.

During the year, we continued to develop our digital services and our residents' service portal, OmaSATO, was updated. At the same time as we move services online, we have invested in the competence of our house experts and service managers who work on our properties, and on their ability to interact with our residents in everyday life and in difficult situations. We wish to ensure that customers receive a uniform, consistent service experience in all of their encounters with SATO's employees.

The customer feedback we have received has been largely excellent and the Net Promote Score (NPS) measuring customer satisfaction during living improved to 27. The NPS for various transactional situations was 57. The NPS results were the best in SATO's history. Despite the tight competition, we also succeeded in improving our economic occupancy rate. It was 95.5% (94.9) for the entire year.

During the reporting year, we continued along the path defined by our sustainability programme. We enable sustainable housing

for our residents and encourage them to make daily choices that reduce consumption and promote circular economy. In the autumn we arranged biodiversity training for close to 70 SATO employees working in customer-facing roles and leadership positions across the company's various operations. Our goal is to do our part to slow down biodiversity loss and enhance biodiversity in both our construction projects and the neighbourhoods of our existing properties.

The carbon roadmap we released during the reporting year steers our operations towards carbon-neutral in-use energy consumption. We increased the use of geothermal heat at our properties in line with our plan and we completed the installation of solar power plants in 23 residential buildings. The calculated solar power output generated locally at our properties in 2024 corresponds to the annual electricity consumption of roughly 400 apartments.

The Global Real Estate Sustainability Benchmark (GRESB), which assesses sustainability in the property sector, awarded SATO's sustainability work a rating of three stars and the Green Star recognition. During the reporting year, we were particularly successful in the social responsibility assessment. We provide more detail on our sustainability work on page 15 of this report and in our Sustainability Report, which will be published on 14 March.

SATO has been certified as a Great Place to Work® company for the third time and achieved an impressive sixth place in the Best Workplaces in Finland ranking. I am extremely proud and grateful for this recognition, which highlights our long-term success in developing SATO's culture and employee experience. Our employees take pride in their work and find it meaningful. In a survey conducted at the end of 2024, 90% of staff reported considering SATO an excellent workplace overall. Additionally, our eNPS (Employee Net Promoter Score), measured for the first time, was exceptionally high at 61.4.

SATO is the most well-known brand in our sector. According to year-end statistics, one-fifth of respondents named SATO as the first rental housing provider that came to mind. Additionally, over 40% mentioned SATO spontaneously, and more than 80% recognised the company from a list of alternatives. This provides a solid foundation for continuing to build our brand awareness.

This year, our company proudly celebrates its 85th anniversary. We have played a vital role in the post-war reconstruction of Finland and in establishing the foundations for rental housing. Today, in an increasingly urbanised Finland, we are committed to providing our 44,000 residents with a safe, comfortable, and responsible way of living.

2024 was a challenging year for us in multiple ways. However, I am immensely pleased with how we managed to stay focused and ensure strong results across all our metrics. I extend my warmest thanks to SATO employees, our partners, and the residents living in SATOhomes for their excellent collaboration.

Antti Aarnio, Chief Executive Officer



REPORT OF THE BOARD OF DIRECTORS

The priorities of the company's strategy are customer experience, sustainability and sustainable housing, and SATO employees.

REPORT OF THE BOARD OF DIRECTORS 1 JAN - 31 DEC 2024

Operating environment

During 2024, SATO's operating environment remained challenging. The housing sector continued to be influenced by the abundant supply of rental homes and ongoing economic uncertainty. Uncertainty was further heightened by industrial action at the beginning of the year, negative economic growth, a weakened employment situation, and the European Central Bank's strict interest rate policy. Also geopolitical challenges like the war in Ukraine, global tensions, and trade policy decisions and sanctions impacted our operating environment.

Headline inflation in the eurozone slowed clearly during the review period and was at approximately 2% in late 2024. The rise in services prices has kept core inflation above the target set by the European Central Bank. Finland's inflation has been the lowest in the eurozone. Due to the fall in inflation, the European Central Bank began its interest rate cuts in June and continued with an interest rate cut policy throughout the second half of the year. The markets expect the key interest rate to fall further during 2025.

Economic confidence indicators have remained low, even though inflation slowed significantly. Consumers' low confidence was reflected in cautious consumption and selection of rental apartments. Also changes made in housing allowance policies may steer consumers to find less expensive apartments, which showed during the review period as an increase in demand for smaller apartments.

The construction of new apartments is at an all-time low. Largely due to an increase in the volume of interest-subsidised housing construction, there has, however, been a slight upturn in projects started. The number of apartments completed has contracted clearly this year, but the newbuild construction volume of previous years, which exceeds the long-term housing demand, is, however, maintaining an oversupply of rental homes in growth centres. The oversupply has been shrinking slower than

anticipated earlier and competition for good tenants continues. The transformation taking place in construction may in future turn the apartment oversupply to a housing shortage in growth centres.

Finland's economy is shifting to a slow growth phase. Pay raises, slowing inflation and the gradual fall in interest rates improve consumers' purchasing power. Employment is also expected to improve as economic growth accelerates. In 2025, the GDP is expected to grow by about 1%. The outlook is overshadowed by uncertainties connected to geopolitics and the development of the labour markets.

The number of households living in rental apartments exceeded the one million mark in 2023. At the end of 2023, 1.02 million households lived in rental apartments, which is 36% of all households. The amount rose by 2.2% year on year and by 6% from 2010. Living in rental homes has become more common as household sizes have decreased. In 2023, approximately 63% of households living in one- or two-room apartments were renting their homes.

Urbanisation continues and dense urban living is becoming increasingly popular in Finland. There is a demand for rental apartments in growth centres near good public transport connections and services. Of the major growth centres, the Helsinki metropolitan area, Tampere and Turku continue to enjoy robust growth. The Helsinki metropolitan area's net positive migration rate in 2023 was the highest in the 2000s: 23,500 people. In 2024, internal migration continued to be strong and the net positive migration of the Helsinki metropolitan area was some 16,000 people at the end of September. The Helsinki metropolitan area is expected to grow by over 200,000 new residents by 2040.

Close to 80% of the area's residents already live in one- to two-person households, and the number of small households continues to rise. The proportion of immigrants living in the

capital area is expected to grow from the current 17% to 25% by 2030. Ageing populations typically move closer to growth centres and the services they offer, and they increasingly expect housing-related services. The change in the population structure and development in the prices of owner-occupied apartments create a stable foundation for demand for rental housing especially in the capital area and in Tampere and Turku.

Competition for good tenants remained tight during the reporting year, and rent increases remained moderate as housing providers have not been able to pass the actual cost rises on to rents. The rising costs of maintenance and financing will manifest as rising rental costs while the offering of rental apartments falls.

The income development of wage and salary earners, pent-up housing demand of households and the decrease in new housing production are expected to increase rental apartment demand going forward. Also economic uncertainty may have a positive impact on the demand for rental apartments as the attractiveness of rental living is predicted to grow among those previously looking for owner-occupied apartments.

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The oversupply has been shrinking slower than anticipated earlier and competition for good tenants continues.



Strategy

SATO is a housing investment company that owns 25,849 rental homes in the Helsinki metropolitan area, Tampere and Turku. Our company’s strategy is focussed on the continuous improvement of the customer experience, sustainability and sustainable housing, and SATO employees.

We want to be present in our customers’ daily lives so that we can offer them a successful customer experience. We build sustainable homes and take care of them in accordance with the life-cycle principles. Long-term profitable business enables our sustainable operations.

SATO employees are our most important resource. Well-being at work, an inspiring employee experience and a coaching management style encourage SATO employees to develop themselves and the company and build the SATO of the future.

We measure our success using strategic indicators. We strive to improve our residents’ net promoter score (NPS), maintain our Investment Grade credit rating and achieve a return on equity in line with the set target (8%).

Net sales and profit

In 2024, consolidated net sales were EUR 304.1 million (288.4). Operating profit was EUR 185.6 million (-113.6). The operating profit without the fair value change of investment properties was EUR 173.6 million (135.7). The change in fair value was EUR 12.0 million (-249.3).

Net financing costs totalled EUR -80.1 million (-72.2). Profit before taxes was EUR 105.4 million (-185.8). Cash flow from operations (free cash flow after taxes excluding changes in fair value) amounted to EUR 88.2 million (32.9). Earnings per share were EUR 1.04 (-2.72).

Financial position and financing

The consolidated balance sheet totalled EUR 5,059.6 million (5,085.0) at the end of December. Equity was EUR 2,599.8 million (2,435.0). Equity per share was EUR 30.63 (43.01).

The Group’s equity ratio was 51.4% (47.9) at the end of the year. EUR 800.0 million in new long-term financing was withdrawn (255.0) and the solvency ratio was 38.6% (42.4) at the end of December.

The Group’s return on equity was 3.3% (-6.3). Return on invested capital was 4.0% (-2.5).

Cash and cash equivalents at the end of December totalled EUR 31.3 million (7.0). Interest-bearing liabilities at the end of December totalled EUR 1,970.1 million (2,159.2), of which loans subject to market terms accounted for EUR 1,865.7 million (2,044.0). The loan itemisation is in note 25 of the financial statements. At the end of the reporting year, the average loan interest rate was 3.7% (3.4). Net financing costs totalled EUR -80.1 million (-72.2). The average maturity of loans was 3.8 years (2.8).

The calculated impact of changes in the market value of interest hedging on equity was EUR -6.2 million (-13.4). The proportion of unsecured loans to all loans was 69.5%. At the end of the year, the proportion of unencumbered assets was 73.0% of the balance sheet.

Issue of shares

The share issue begun in late 2023 ended in February and we raised some EUR 200 million in gross proceeds from the issue. The number of company shares rose by 28,279,377 due to the share issue, from 56,783,067 shares to 85,062,444 shares.

Our strategic goals	Realisation in year 2024
Continuously improving NPS during living	Fulfilled
We aim for a continuously improving Net Promoter Score (NPS) from our residents. An active presence at SATOhomes and a uniform service experience at all of the customer contact points help us reach this goal.	
Maintaining the credit rating	Fulfilled
Our strategic goal is to maintain the credit rating. In the reporting year, we maintained our credit rating (BBB), with a stable outlook. The credit rating helps us to further expand our financing base and lower our financing costs.	
Return on equity target	Unfulfilled
Our third strategic goal is our return on equity target, which is 8% during the strategy period.	

Net sales

304.1
EUR million

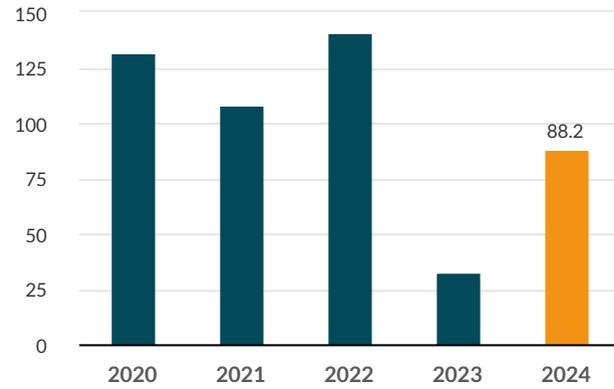
Balance sheet

5,059.6
EUR million

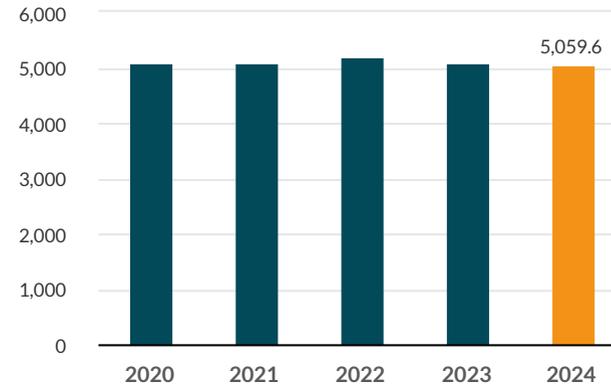
Equity ratio

51.4%

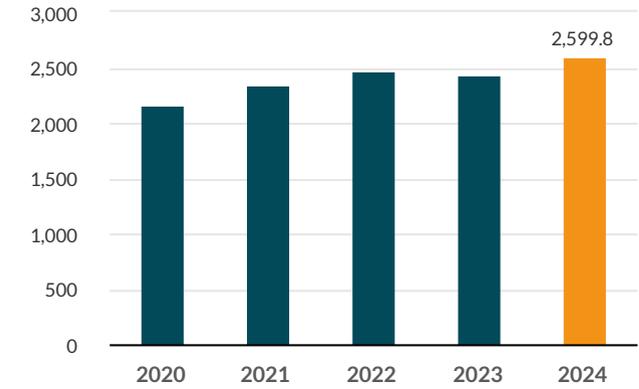
Cash earnings, EUR million



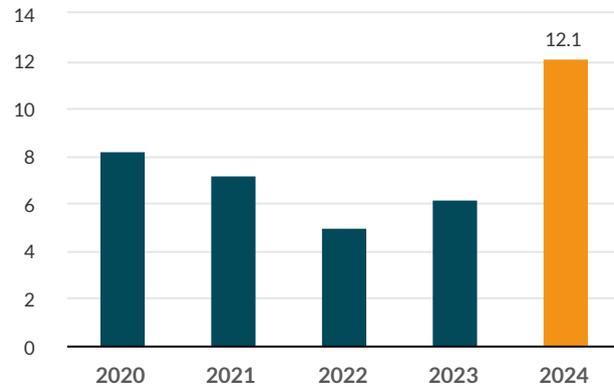
Balance sheet, EUR million



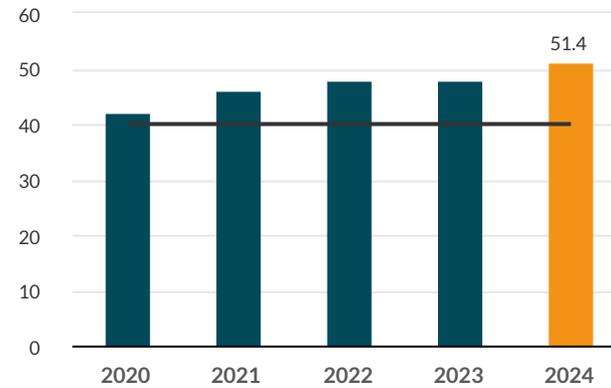
Shareholders' equity, EUR million



Secured solvency ratio, %

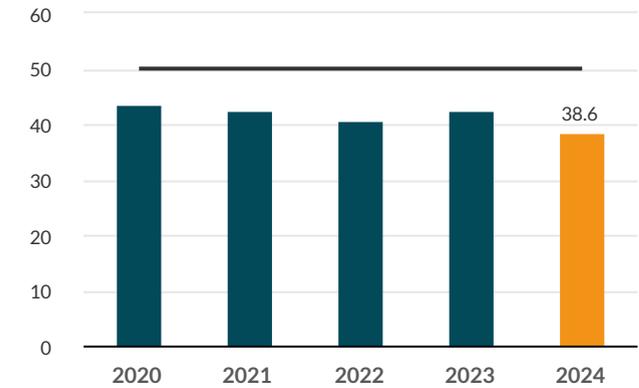


Equity ratio, %



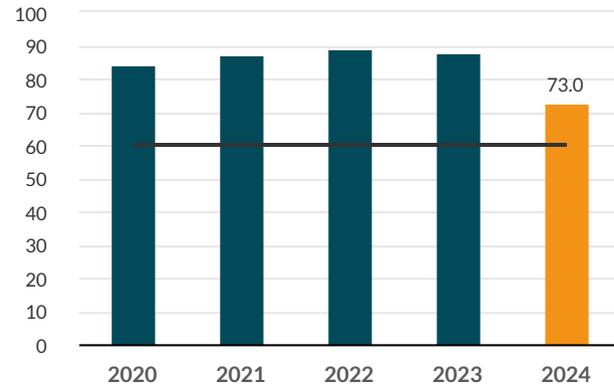
Target > 40%

Solvency ratio, %



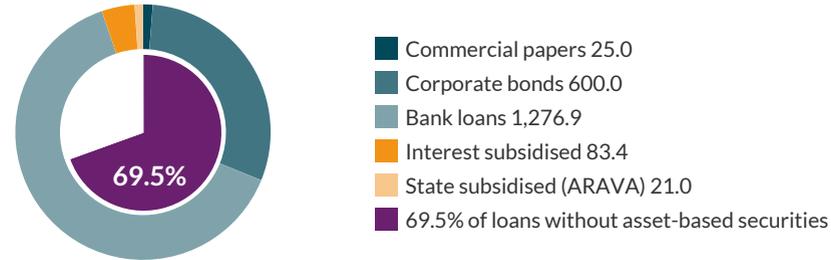
Target < 50%

Unencumbered assets, %

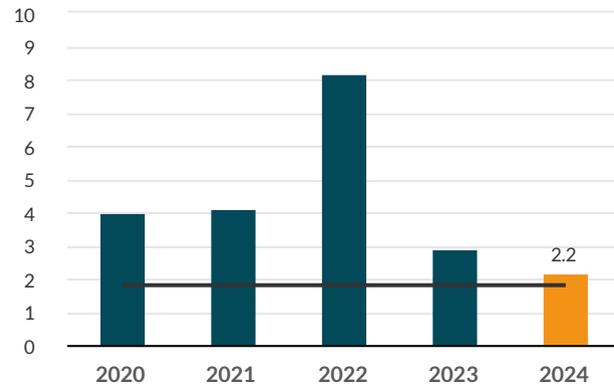


Target ≥ 60%
Not including undrawn credit facilities

Debt portfolio, nominal values 31 Dec 2024, total EUR 2,006.3 million

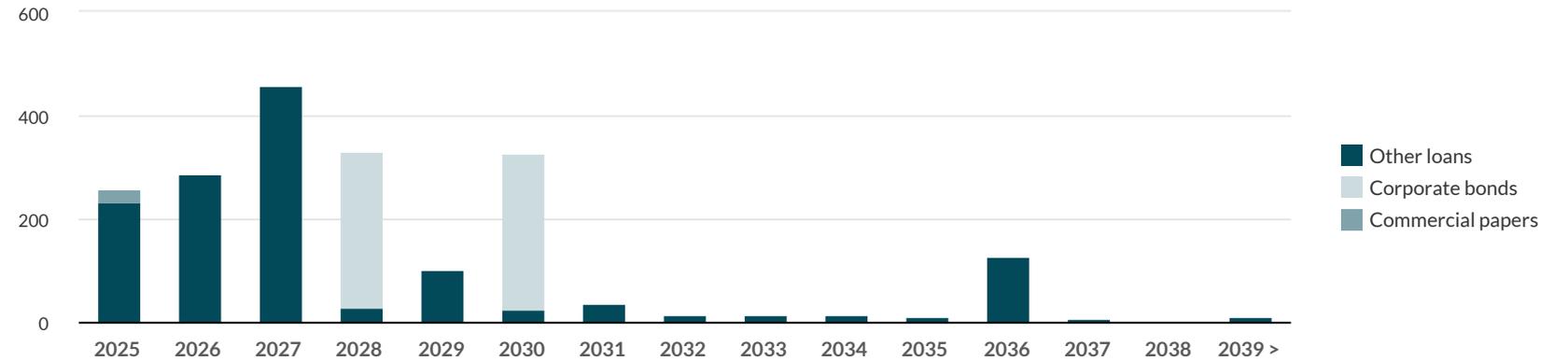


Interest coverage ratio



Target > 1.8x

Maturity profile of debt, EUR million



Group structure

SATO Corporation is the parent company of SATO Group. At the end of the reporting year, the parent company had a total of 11 (13) subsidiaries engaged in business operations. Mergers took place during the year in order to clarify the Group structure.

SATO Corporation's majority shareholder is Balder Finska Otas AB, whose parent company is Fastighets AB Balder, which is quoted on the Stockholm Stock Exchange.

Housing business

Our housing business focuses on rental activities, customer service, life-cycle management and maintenance. Our goal is to guarantee fast and efficient renting for home-seekers and a steady cash flow for the Group. Our focus is on building a first-class customer experience at all contact points, both physical and digital.

High-quality property maintenance and regular preventive maintenance ensure the comfort of residents and that the apartments stay in good condition and retain their value.

At the end of the year under review, SATO had approximately 44,000 customers. The economic occupancy rate improved compared to the previous year and was 95.5% (94.9) during the reporting year. Plenty of new rental apartments were completed for the market, which gave customers more options. Apartment rental activities slowed and competition among housing providers remained tight in all our operating areas.

In 2024, we have focussed especially on improving the effectiveness of service processes, strengthening the consistency of operations, and developing new operating models and practices and their comprehensive adoption. Developing measurement and reporting has been a key aspect of our operations and we have also developed new tools to improve the predictability of our operations.

We want to be closely present in our customers' daily lives and offer them first-class customer service. We serve our customers

through various channels in as many as 20 different languages. In addition to personal service, our customers can reach us via the chat service at sato.fi, where also the SATObot is on duty 24/7. We actively develop our digital services together with customers and our personnel.

During the reporting year, we actively developed SATO's house expert model. At the end of the year, 67 house experts and 6 team leaders worked in our house expert organisation. Their primary task is to ensure, together with the maintenance company, that our buildings are comfortable and well-maintained. The house expert model is in use in all of the properties wholly owned by SATO in the Helsinki metropolitan area, Tampere and Turku.

Our residents' customer experience is made up of multiple factors, such as how well the resident's home meets their needs, home removal situations and digital and face-to-face interaction with SATO employees. We have invested in building a first-class customer experience by developing our service processes. With their help, we can ensure a consistent and seamless customer experience at all of our contact points, regardless of the channel.

We continued to develop the Concept of good encounters that was launched in 2023. The concept describes the way we interact with one another, our customers, partners and other stakeholders.

We have significantly developed customer experience measurement and reporting. In 2024, we continued to use the Net Promoter Score (NPS) index. Our NPS during living was 27 (23) and the NPS for various transactional situations was 57 (53). The second figure is based on our customers' estimates at different contact points, such as customer service calls, maintenance visits by house experts, apartment offers made by our sales team and apartment viewings.

Our economic occupancy rate was 95.5% (94.9) at the end of the year. The external tenant turnover rate for rental apartments was 28.7% (26.8). Rental income increased by 5.4% to EUR 304.1

million (288.4). The average monthly rent of SATO's rental apartments at the end of the reporting year was EUR 18.40 per m² (18.08). Net rental income from apartments stood at EUR 214.4 million (198.7).

Investment properties

On 31 December 2024, SATO owned a total of 25,849 apartments (25,468). During the reporting year 349 rental apartments (978) were completed for SATO, and at the end of the year, no rental apartments were under construction (349). The number of divested apartments was 1 (530).

EUR 40.4 million (99.1) was spent on repairing and upgrading apartments. During the reporting year, renovation was completed for 56 apartments (545) and renovation was underway in 0 apartments (56).

Fair value

The core purpose of our business operations is to increase the value of our rental apartments. The housing stock is focussed on areas and apartment sizes that are expected to grow in demand in the long term. The allocation of building repairs is based on life-cycle plans and repair need specifications.

The fair value of our investment properties on 31 December 2024 totalled EUR 4,971.4 million (4,885.7). The change in the value of investment properties, including investments and divestments in the financial year, was EUR 85.7 million (-158.5).

The fair value of properties funded by ARAVA and interest-subsidised loans using the income value method would be some EUR 250 million higher than the current value.

The external expert JLL Finland Oy (JLL) issues a biannual statement on the valuation methods applied by SATO, the appropriateness of sources of information used and the quality and credibility of the valuation for investment properties.

JLL's latest statement was issued on the valuation carried out on 31 December 2024. The criteria for the determination of the fair

value are presented in the notes to the consolidated financial statements.

At the end of the year, the Helsinki metropolitan area's commuting area accounted for some 86.3%, Tampere for some 7.9% and Turku for 5.8% of the value of apartments.

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We have focussed especially on improving the effectiveness of our service processes, strengthening the consistency of operations, and developing new operating models and practices.

Group key indicators	2024	2023	2022
Net sales, EUR million	304.1	288.4	291.2
Operating profit, EUR million	185.6	-113.6	198.9
Operating profit as percentage of net sales, %	61.0	-39.4	68.3
Equity ratio, %	51.4	47.9	47.8
Return on equity, % (ROE)	3.3	-6.3	5.0
Personnel, average	315	333	328
Salaries and remunerations, EUR million	21.4	22.1	21.6

Key financial indicators	Target	2024	2023
Average loan maturity, years	2.5–6	3.8	2.8
Average interest fixing period, years*	3–5	3.1	1.9
Average interest rate, at end of the period, %	-	3.7	3.4
Proportion of fixed rate debt, %**	> 60	63.0	66.3

*SATO's objective is to keep the interest-fixing period between 3 to 5 years when market rates (ECB's key interest rate) are over 1% and between 3 to 10 years when market rates are 1% or below.

**Excluding short-term debt

Rental activities	2024	2023
Average rent of rental apartments, EUR/m ² /month, at end of the review period	18.40	18.08
Economic occupancy rate, %	95.5	94.9
External tenant turnover of rental apartments, %	28.7	26.8

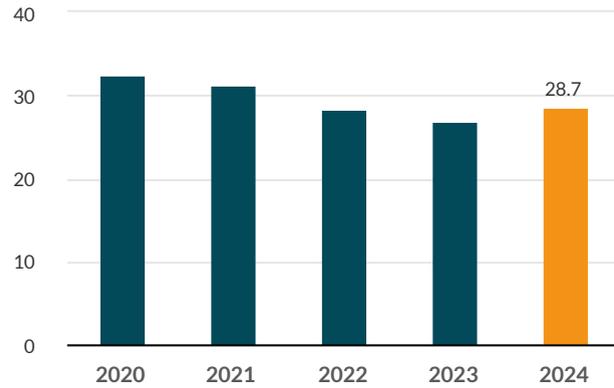
SATOhomes	2024	2023
Number of properties	682	672
Total number of apartments	25,849	25,468
Average size of apartments, m ²	52.9	53.1
Fair value of investment properties, EUR million	4,971.4	4,885.7
Net rental income, EUR million	214.4	198.7

Plot reserves	2024	2023
Plot reserves, EUR million	66.6	44.3
Plots purchased, EUR million	26.5	0.8
Total permitted building volume in the plot reserve, floor-m ²	467,058	100,884
Owned plots transferred to production or sold, EUR million	4.5	2.6

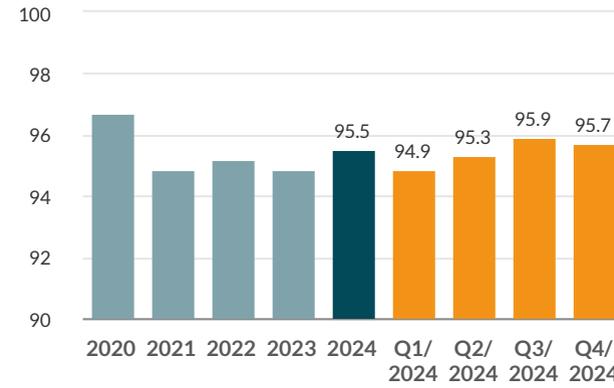
New production	2024	2023
Completed, units	349	978
Rental apartments	349	978
FlexHomes	0	0
Under construction on 31 December, units	0	349
Rental apartments	0	349
Unsold owner-occupied apartments on 31 December, units	44	46

Repairs	2024	2023
Apartment and property repairs, EUR million	40.4	99.1
Repair investments, EUR million	24.5	77.9
Repair subsidies received, EUR million	0.0	0.1

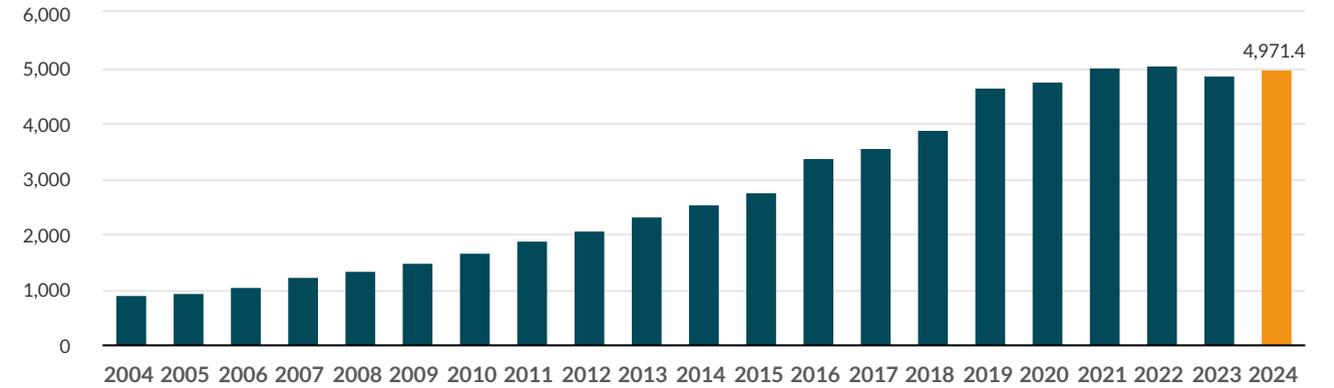
External tenant turnover, %



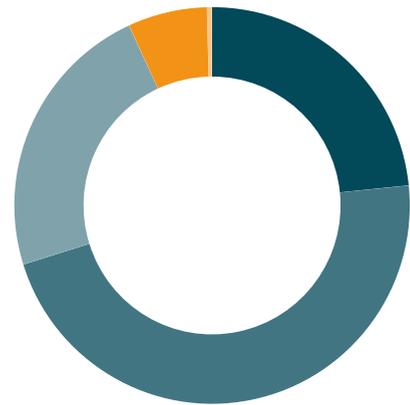
Economic occupancy rate of rental housing, %



Trend in the investment property portfolio value, EUR million

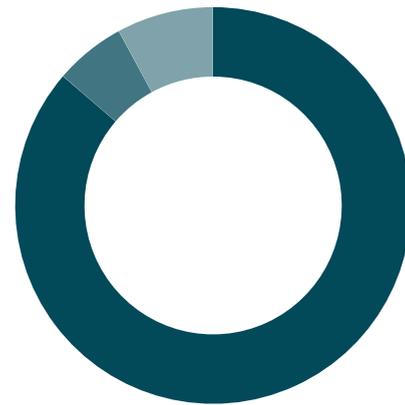


SATO's owned rental homes 31 Dec 2024, %



1h 23.4% 2h 46.8% 3h 22.9%
4h 6.5% 5h 0.4%

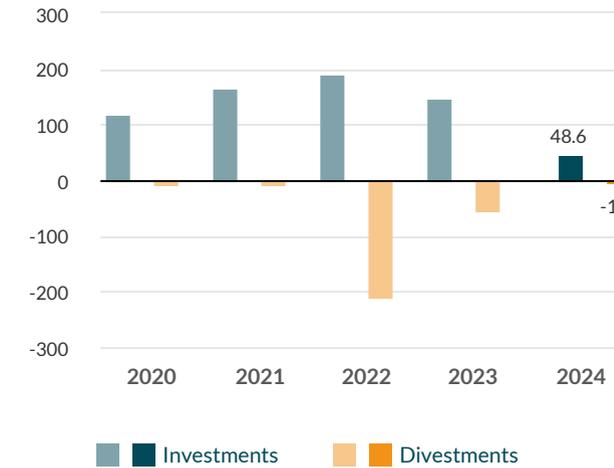
Regional distribution of the housing portfolio, 31 Dec 2024, %



Helsinki met. area 86.3% Turku region 5.8%
Tampere region 7.9%

Total housing portfolio EUR 4,801.0 million

Housing investments and divestments, EUR million



Investments Divestments

On 31 December 2024, SATO had 0 rental apartments under construction. During the year, 349 rental apartments were completed for the SATO Group.

Investments, divestments and property development

Investment activities are used to manage the housing portfolio and prepare the ground for growth. In the 2000s, SATO has invested a total of more than EUR 3.9 billion in non-subsidised rental apartments. SATO acquires and builds entire rental buildings and single rental apartments. Property development allows for new investments in rental apartments. The rental potential and value of current rental apartments are developed through repair activities, which also help increase comfort and improve energy efficiency.

In response to continued strong urbanisation, SATO invests, in addition to Helsinki, Espoo and Vantaa, also in their surrounding municipalities and in Tampere, Turku and their surrounding municipalities. Investments in rental apartments were EUR 48.6 million (150.0) in 2024. Investments in the Helsinki metropolitan area represented 90.2% and investments in new apartments represented 39.4%. In addition, SATO’s binding purchase agreements on 31 December 2024 totalled EUR 1.3 million (16.2). During the reporting year, 1 rental apartment (530) was divested. Its value was EUR 0.1 million (52.6).

The book value of plot reserves totalled EUR 66.6 million (44.3) at the end of the reporting year. The value of new plots acquired by SATO by the end of December 2024 totalled EUR 26.5 million (0.8).

SATO has permitted building volume for approximately 1,650 apartments on the plots in the company’s housing portfolio. The long-term aim is to utilise the existing infrastructure, create a denser urban structure and bring more residents close to services and good public transport connections.

We engage in urban development together with cities and other operators in the sector. Developing urban districts benefits not only the future residents of new apartments, but also the existing residents, as services improve and the urban environment develops. As a long-term property owner, housing investor and housing provider, SATO has the will to build

pleasant, safe and diverse neighbourhoods. We offer our residents sustainable way of living and encourage them to make sustainable choices in their daily lives. We build and maintain homes in a financially viable manner and minimise our operations’ environmental impacts.

During the reporting year, we continued the development of, among other areas, Itäkeskus in Helsinki and Sarfvik area in Kirkkonummi. In Helsinki, we are contributing to the development of a new centre for East Helsinki around the Puotila metro station and the Puhos and Stoa areas. In Kirkkonummi, we are initiating the partial master planning of the northern section of the Sarfvik area, originally developed by SATO, in collaboration with the municipality of Kirkkonummi and other key landowners in the area. Over the coming decades, the aim is to build a new modern, comfortable, and ecological urban area along the Esponlahti shoreline. SATO is also engaged in several other development projects in Espoo, Helsinki, Järvenpää, Kirkkonummi, Tampere, Turku, and Vantaa.

During the year, we strengthened our land reserves by acquiring two larger plots in Viikki and Myllypuro, Helsinki, enabling the future construction of approximately 500–550 new homes.

Plots in areas developed by SATO were sold to construction companies and other partners.

This enables the construction of approximately 400 owner-occupied and rental apartments, thus promoting the diverse development of the residential areas.

During the reporting year, 349 (978) new rental apartments were completed for SATO. Apartments were completed in Hyrylä in Tuusula and Finnou in Espoo. In addition, during the review period, 33 completed and under-construction homes were acquired (0).

We renovate the rental homes and properties we own according to the life-cycle principle. Renovations on a total of 56 rental apartments were completed in Kallio, Helsinki.

Housing starts have been at an all-time low in the entire sector. The supply of new rental apartments will heavily decrease over the next few years. In autumn 2022, we decided not to initiate any new investments for the time being. Behind the decision were higher financing costs and the rise in construction and maintenance costs driven by dramatically increased inflation.

We are committed to improving the energy efficiency of our properties and we are increasing local production of renewable energy at our properties. More information about our energy efficiency work can be found in the sustainability section on page 15 of this report.

Energy class	Number of apartments in 2024	Number of apartments in 2023
A	1,829	1,384
B	2,583	915
C	3,786	5,229
D	4,682	4,628
E	11,905	11,917
F	999	974
G	0	8
No classification*	109	459

*SATO’s ownership in the housing company less than 100%

Housing investments

48.6
EUR million

Net rental income

214.4
EUR million

Fair value of investment properties

4,971.4
EUR million

Sustainability

During the reporting year, our sustainability work was governed by SATO's strategy and our sustainability programme for 2023–2026. The themes of the programme are sustainable housing (environmental sustainability), communities' well-being (social sustainability) and profitably sustainable business (good governance and economic sustainability). Our programme's policies are linked to the UN Sustainable Development Goals (SDG). During the year, we advanced our sustainability work in line with the targets in all areas. The realisation of the sustainability programme's annual measures is part of every SATO employee's remuneration.

In environmental responsibility, we continued the energy-efficiency measures based on our carbon roadmap and invested in renewable, locally produced energy: solar power plants and geothermal heat. Energy produced locally on our properties helps us reduce purchased energy. During the reporting year, we installed solar power plants on 20 of our existing properties, which include altogether 1,268 rental homes, and in three new construction projects, with 349 homes. At the end of 2024, 53 properties housing 4,616 rental homes had a solar power plant. Locally produced solar power is used as building electricity for, among other things, lighting and ventilation in communal spaces.

At the end of the reporting year, among the properties fully owned by SATO, geothermal heat was the main form of heating in 1,820 rental homes and hybrid heating with district heat and heat pumps was the main form in 70 rental homes. During the year under review, we made an investment decision to switch over to geothermal heat during the next year in 13 properties located in the Helsinki metropolitan area, Tampere and Turku. In addition to our own measures, we continuously collaborate with energy suppliers in order to save energy and increase carbon neutral energy solutions, among other things.

Our goal is to also reduce our water consumption. During the reporting year, we installed apartment-specific water meters in some 4,000 current rental homes. According to Motiva's assessment, water meters reduce water consumption by around

8% on average. In 2024, building electricity did not produce any emissions because it was produced 100% by wind power. SATO's goal is to be carbon neutral by the end of 2030 when it comes to in-use energy consumption.

During the reporting year, we initiated our biodiversity work in line with the biodiversity roadmap 2024–2026 that we released last year. Our goal is to slow down biodiversity loss and improve biodiversity in housing construction and in the areas where our existing buildings are located. In 2024, we began to update the guidelines steering newbuild construction and building repair planning, and the maintenance guidelines with regard to biodiversity. Furthermore, we began creating introduced species guidelines. At the end of the year, we organised biodiversity training, attended by close to 70 SATO employees. We also started up an in-house discussion on planning measures linked to the theme at our existing properties.

We participated for the tenth time in the Global Real Estate Sustainability Benchmark (GRESB) assessment. We retained our three stars on a scale of one to five. SATO's score in the Standing Investments Benchmark (existing properties) remained at 76 as in the previous year, and in the Development Benchmark (construction projects), SATO's score rose to 83 points from 79 points in the previous year. In its peer group, SATO's result represents the average of northern European housing investors.

SATO's strengths in the GRESB assessment were, for example, sustainability management, risk management, diverse stakeholder co-operation, a comprehensive health and well-being programme and measures for personnel, and issues related to tenants' health and safety. SATO received full points for sustainability management. SATO received the weakest scores in buildings' environmental certifications that are not used by the company.

Some of our sustainable housing measures are described in the "Impacts on the environment and society" section of this report.

In the area of social responsibility, we focussed during the reporting year especially on supporting our employees' well-being at work and competence development. In addition, we continued to strengthen our occupational safety culture and ways of working. Our goal is to reduce mental health-related sick leave days and absences resulting from work accidents. We succeeded in reducing our sick leave days resulting from mental health issues by 36% compared to the previous year and work accidents leading to absences by 92%.

We carried on the diversity, equity and inclusion work (DEI) that began last year. During the reporting year, we continued to increase understanding on the topic through in-house discussions, and we arranged coaching on neurodiversity in the work community for everyone at SATO. We reviewed our personnel practices and adopted a positive special treatment principle in our recruitment process, which, when there are two equally matched applicants, allows us to use as a selection criterion an attribute that is in the minority in the work community.

We continued to improve customer encounters during the reporting year in line with the Concept of good encounters that was launched in 2023. The objective of the concept is to ensure that our customers can enjoy a consistent service experience regardless of the situation and the SATO employee, and to improve the customer experience. The good encounter concept is a tool used by all SATO employees and steers our daily activities.

During the reporting year, SATO joined the HIMA project, which supports youth living on their own through means of family cooperation and participation. The project is run by the Finnish Youth Housing Association NAL, Vamos Helsinki and Pääkaupunkiseudun Nuorisoasunnot ry. In the collaboration, SATO recommends the project to young adults that it has encountered through housing advisement.

We also continued collaboration with the non-profit organisation No Fixed Abode and the Rehabilitation Foundation

in their project to help participants in the project to find two of life's essentials – a home and a job. By the end of 2024, seven people who had participated in the project were living in a SATOhome.

In the area of governance and financial responsibility, we continued to develop consistent and transparent ways of working and the description of our core processes during the reporting year. At the start of the year, we also carried out a Compliance risk assessment. During the year, we updated our guidelines on combatting money laundering and terrorism and the anti-corruption and anti-bribery guidelines. We trained our personnel in the Code of Ethics, which was updated at the end of the previous year, and launched related online training, completed by 95% of SATO employees during the year.

During the year, we also began preparations for reporting in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD). SATO will report in compliance with CSRD starting in 2025. During the reporting year, we implemented a double materiality assessment and a gap analysis of reporting readiness. The material topics identified for SATO in the double materiality assessment are: Climate change (E1), Water and marine resources (E3), Biodiversity and ecosystems (E4), Resource use and circular economy (E5), Own workforce (S1), Workers in the value chain (S2), Affected communities (S3) and Business conduct (G1).

SATO has a First Whistle channel in place, through which SATO employees and external stakeholders can confidentially report detected or suspected misconduct or other inappropriate conduct.

We report on our sustainability work annually in reference with the Global Reporting Initiative's (GRI) reporting guidelines, and the environmental sustainability and procurement figures presented in the report are verified by an independent third party, i.e. Deloitte Oy.

In 2020, we committed to reporting in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) framework. In the framework, the risks are divided into four main categories: transition risks, acute and chronic physical risks and social risks. During the reporting year, risks caused by climate change were part of SATO's general risk assessment that is conducted internally each year. Climate-related risks and opportunities and their impact on the company's operations were addressed in the Corporate Management Group and reported to the Board of Directors twice during the reporting year.

The Corporate Governance Statement, SATO's Code of Ethics and the Group's sustainability programme are available at the address sato.fi/en.

Impacts on the environment and society

According to the Ministry of the Environment, construction and buildings cause approximately one third of Finland's greenhouse gas emissions. In addition to the climate, the built environment also has a significant impact on nature, and the construction supply chains also have identified nature impacts.

Our most significant climate impacts arise from energy consumption during living and the construction and repair of our homes. Mitigating climate change and responding to it are at the core of our sustainability work. We aim to reduce the emissions caused by our operations and our goal is to reach carbon neutrality for in-use energy consumption by the end of 2030.

Our objective is to systematically reduce the negative impacts of our operations on the environment and nature. We reduce the load on the environment by regularly and proactively maintaining and repairing homes and properties according to the life-cycle principle, and by building properties primarily in existing urban environments and near good public transport connections.

The planning of SATO's new rental apartments always takes into account energy efficiency and solutions that will last for decades.

In new properties, SATO's goal is energy class A (energy performance indicator 75 or below), which is significantly better than that required by the building code (energy performance indicator 90). All of the buildings that were completed during the reporting year were energy class A. In 2024, we did not start any new construction projects.

During the reporting year, we continued to invest in energy efficiency improvements in SATOhomes in connection with renovations. In renovations, our goal is to improve energy efficiency by at least 30% compared to earlier. A total of 56 homes were renovated in 2024.

We are committed to the Energy Efficiency Agreement targets for the property sector, aiming for a reduction in the total consumption of electricity and heat of 10.5% from the 2015 baseline by 2025. The use of renewable energy in heating significantly reduces the in-use emissions of homes. Our goal is for 80% of our energy consumption to be renewable or carbon neutral by the end of 2026. We increase local energy production and always look into the possibility of using geothermal heat and other locally produced energy and heat recovery. We implement these wherever it is possible and also financially viable.

During the reporting year, specific energy consumption rose 2.7%, specific electricity consumption rose 2.7% and specific water consumption rose 0.3% compared to 2023. Specific emissions from SATO's apartments rose by 0.4% compared to 2023 and were 23.2 carbon dioxide equivalent kilograms per square metre (23.1). Emissions are calculated according to the absolute consumption of district heating. Total energy costs grew due to the freezing temperatures in early 2024 and higher heating energy costs.

Our business is long-term, transparent and sustainable. We regularly assess and predict the social, economic and environmental risks related to our operations. We strive to systematically reduce the identified negative impacts, for example by following our Code of Ethics, by combating the grey economy, by approving only companies registered with the

Reliable Partner service as our co-operation partners, by providing guidelines for our partners, through internal control, and by continuously developing our operations.

We generate a steady financial benefit for our stakeholders, including shareholders, employees, goods suppliers and service providers and their employees as well as customers, municipalities and the state. We support growth opportunities in business and industry by offering rental apartments in Finland's largest growth centres, in the Helsinki metropolitan area, Tampere and Turku.

We enable sustainable way of living for our residents and encourage them to make sustainable choices in their daily lives. We are a long-term and responsible housing provider for our residents.

Development activities

Our operating model is based on the idea that any needs for improvement and change in the organisation are best identified by the employees whose daily work involves the matters in question. One of the spearheads of SATO's strategy is SATO employees, and our intent is for each SATO employee to develop and build the SATO of the future.

SATO has in place a continuous improvement model for business. We develop our operations as smaller components rather than large units, which speeds up development work and allows processes to be improved effectively. In connection with development work, we identify, prioritise and carry out strategically important actions.

SATO's development activities in 2024 focussed on projects improving operating models and business operations. We invested in developing digital services, the customer experience and in building a harmonised service experience.

During 2024, SATO revamped its digital service for residents, OmaSATO. In the platform, residents can manage their housing-related matters digitally. The goal of the development work was

to make it easier to use the service, enabling residents to take care of as many matters as possible directly in OmaSATO. Due to the revamp, OmaSATO offers residents an improved user experience and more extensive information on their own housing matters. The service will be developed further based on residents' wishes and the available data. The fact that more than 30,000 SATO residents use the service proves its importance.

During the reporting year, we planned and carried out a new system for long-term maintenance planning. At the same time, we will also review the operating model for the entire life-cycle management. The maintenance planning system was created as part of the property data system KoTi, which allows us to manage the key areas of property management centrally and in a uniform manner. As the operating models develop, we will continuously invest in the development of the KoTi system to ensure that it corresponds as closely as possible to our customers' needs.

In 2024, we looked into the opportunities offered by AI and expanded our personnel's AI competence. We organised training for the entire personnel and discussed the topic at the annual SATO Day in September. We carried out many business-oriented tests and pilots from the perspective of utilising AI and we extensively tested tools utilising AI. At the end of the year, we started up the AI ambassador programme with which we are looking into increasing and accumulating AI competence and embedding best practices in our operations.

A total of EUR 2.2 million (2.3) was spent on development in year 2024, corresponding to approximately 0.7% of net sales.

Events after the review period

No significant events after the end of the reporting period.

Risk management

Risk management is used to ensure that risks impacting the company's business are identified, managed and monitored. The main risks of SATO's business are risks related to the business environment and financial risks.

SATO's key risks are:

The weak development of Finland's economy

The weak development of Finland's economy, deteriorating employment situation, and uncertainty surrounding the economic outlook are impacting consumers' purchasing power. A weaker-than-expected economic situation in Finland may influence the housing market through decreased market demand, reduced customer solvency, increased credit losses, lower market rents, and consequently, a decline in the value of SATO's housing assets.

The growing repair backlog

If SATO's housing assets are not maintained systematically and in a timely and controlled manner, this may lead to negative impacts on residents' comfort and health, SATO's reputation, the rentability and pricing of the apartments, and, therefore, the value development of the assets.

Geopolitical risks

Security policy tensions that have grown due to the war in Ukraine and other military conflicts and any tariffs possibly set by different countries may have a significant impact on SATO's business environment.

Cyber risks

Cybercrime has increased risks related to business continuity and the loss of critical data. It can target, for example, systems critical to the continuity of the business or personal data. The consequences of a cyberattack can be the interruption of operations, the weakening of the company's reputation or fines imposed by authorities.

Risks related to climate change

A delay in measures aimed at mitigating climate change and increasing extreme weather phenomena can impact the condition of apartments and maintenance costs, increase repair needs and reduce apartments' rental potential. This can have a negative impact on the fair value of investment properties.

Risks related to renting apartments

The most significant risks in the renting of apartments are related to economic cycles and fluctuations in demand and supply. High new housing construction activity can increase the supply of rental housing to a point that it exceeds demand. This leads to rental housing vacancies and pressure to even out or lower the rent level especially for the old housing portfolio.

A clear weakening in the housing market could have a negative impact on the market value of SATO's housing portfolio. In accordance with its strategy, SATO focusses its investments on growth centres and on renovating and repairing its existing housing portfolio. This ensures apartments' rental capacity and value development.

Official regulations

Changes in official regulations and legislation, as well as the uncertainty stemming from them, may have a significant impact on the reliability of the investment environment and thus on SATO's business. SATO monitors and anticipates these changes and also calls attention to what it considers to be negative impacts of regulation.

Financial risks

The management of financial risks is steered by the Group's treasury policy, which has been approved by SATO's Board of Directors. Our financial risk management principles are defined in the treasury policy. Our most significant financial risks relate to liquidity, refinancing and interest rates. We manage our liquidity and refinancing risks by diversifying the financing sources and maturity of our loan portfolio, and by holding sufficient liquidity reserves in the form of committed credit facilities and other long-term financing commitments. The

company has a valid EUR 2.0 billion Euro Medium Term Note (EMTN) programme.

The means for managing the liquidity risk at SATO include cash assets, a bank account limit, committed credit facilities of EUR 600 million and a commercial paper programme of EUR 400 million. We increase the amount of reserves as the financing requirements grow. Our objective is to keep the liquidity requirements of the next 12 months covered by committed agreements.

Floating rate loans form an interest rate risk which we manage by balancing the share of fixed and floating rate loans either by issuing fixed rate loans or by interest rate hedges. According to our treasury policy, our objective is to keep the ratio of fixed rate loans at over 60% of the debt portfolio after interest hedging. At the end of the review period, the fixed rate portion of the loan portfolio after hedging was 63.0% (excluding current loans).

A more detailed description of risks and risk management can be found in the Governance section of this report.

Pending legal actions

SATO has no official procedures, legal actions or arbitration proceedings pending that would have a significant impact on the company's financial standing or profitability, and SATO is not aware of any threat of such proceedings.

Shares

On 31 December 2024, the share capital of SATO Corporation was EUR 4,442,192.00 and there were 85,062,444 shares. The company has one series of shares. The shares are included in the book-entry system maintained by Euroclear Finland Oy.

SATO Corporation holds 166,000 treasury shares. This represents 0.2% of all shares and the votes they confer.

On 21 March 2024, the General Meeting authorised the Board of Directors to decide on a share issue. The number of shares issued based on the authorisation cannot exceed 8,517,460

shares. The maximum number of shares corresponds to some 10% of the number of the company's registered shares after the share issue executed at the start of the year. At the time, altogether 28,279,377 of the company's new shares were subscribed for in the share issue, which corresponds to some 99.90% of all of the 28,308,533 new shares in the company offered in the share issue.

On 31 December 2024, the Board members or the CEO of SATO Corporation did not directly hold any shares in the company. A more detailed description of the shareholdings of the members of the Board is given in the Corporate Governance Statement 2024.

Personnel

At the end of December 2024, the Group employed 300 people (323), of whom 277 (295) had a permanent employment contract. The average number of personnel was 315 people (333) during the reporting year. The Group's salaries and remunerations in 2024 totalled 21.4 million (22.1).

Shareholders' Nomination Committee

The Shareholders' Nomination Committee consists of representatives of SATO's four largest shareholders registered in the book-entry system on 1 October. If a shareholder chooses not to exercise their nomination right, the right will pass on to the next largest shareholder. The State Pension Fund, the company's fourth largest shareholder on 1 October 2024, did not exercise its nomination right, and the right was passed to Erkka Valkila, the fifth largest shareholder. The Committee consisted of representatives of the following shareholders: Balder Finska Otas AB (Erik Selin), Stichting Depositary APG Strategic Real Estate Pool (Ming Eng), Elo Mutual Pension Insurance Company (Niko Syrjänen) and Erkka Valkila.

Board of Directors, CEO and auditors

SATO's Annual General Meeting held on 21 March 2024 confirmed that the Board of Directors consists of six members. Re-elected to the Board of Directors were chair Erik Selin and ordinary members Esa Lager, Tarja Pääkkönen, Sharam Rahi, and Timo Stenius. Ming Eng was elected as a new board member, replacing Johannus (Hans) Spikker.

The Board of Directors convened 11 times in 2024. The Board's work is supported by the HR and Remuneration Committee.

In 2024, Antti Aarnio, M.Sc. (Tech.), was SATO's President and CEO.

As the company's auditor, the Annual General Meeting selected the audit firm Deloitte Oy, which appointed APA Alekski Martamo as the auditor in charge. The auditor's term in office is the financial year, and the auditor's duties end at the closing of the next Annual General Meeting.

Members of the Corporate Management Group

During the reporting period 2024, the Corporate Management Group consisted of Antti Aarnio, CEO, Arto Aalto, EVP, Investments, Markku Honkasalo, CFO, Laura Laamanen, CCO and Elina Vaurasalo, EVP, Housing Business.

Related party transactions

During the financial year, SATO had no significant related party transactions. For more details, see note 32 of the consolidated financial statements and note 19 of the parent company's financial statements.

Outlook

In the operating environment, SATO's business activities are mainly affected by consumer confidence and purchasing power, rent and price development for apartments, maintenance costs, the general competitive situation and interest rates.

Weak economic growth and falling employment have depressed consumer confidence. Going forward, the falling interest rate level, declining inflation and pay raises will improve consumers' purchasing power and employment rates, and the economy is expected to take a moderate growth trajectory in 2025. The outlook is overshadowed by uncertainties connected to geopolitics and the development of the labour markets.

The construction of new apartments is at an all-time low. Largely due to an increase in the volume of interest-subsidised housing construction, there has, however, been a slight upturn in projects started. At the end of the year, there were still around six thousand apartments for rental use under construction in the Helsinki metropolitan area. The number of apartments completed has contracted clearly in 2024, but the newbuild construction volume of previous years, which exceeds the long-term housing demand, is, however, maintaining an oversupply of rental homes in the growth centres. The shrinking of the oversupply has been slower than anticipated and competition for good tenants continues.

Dense urban living is becoming increasingly popular in Finland and there is demand for rental apartments near good public transport connections and services. The change in the population structure, together with price development, creates a stable foundation for demand for rental housing especially in the capital area and in Tampere and Turku. Internal migration to the major growth centres has continued and the Helsinki metropolitan area's net positive migration rate in 2023 was the highest in the 2000s: 23,500 people. In 2024, internal migration has continued to be strong and the net positive migration of the Helsinki metropolitan area was some 16,000 people at the end of September. The powerful migration is reflected in the strong increase in demand for rental apartments in growth centres.

Urbanisation, the income development of wage and salary earners, pent-up housing demand of households, falling interest rates and the decrease in new housing production will increase housing demand going forward. Changes made in housing support policies may, however, steer consumers to find less

expensive apartments. Some people looking for owner-occupied apartments may consider living in a rental apartment as an option.

Decreasing new housing production and population growth in growth centres will reduce supply and increase demand for rental apartments, which will likely translate into higher rents in the future.

As tenants have a wider array of choices, a successful customer experience is more important than ever. SATO is investing strongly in increasing its customer presence and developing digital services.

In line with its majority shareholder's operating model, SATO Corporation will not publish guidance on its 2025 earnings. The parent company of Balder Finska Otas AB is Fastighets AB Balder, which is quoted on the Stockholm Stock Exchange.

Proposal of the Board of Directors for the distribution of profit

On 31 December 2024, the parent company's distributable equity was EUR 729,448,510.73, of which profit for the period was EUR 37,384,372.90. The company had 84,896,444 outstanding shares entitling to dividends for 2024.

The Board of Directors proposes to the Annual General Meeting that no dividends be paid for the 2024 financial year (EUR 0.00/share for 2023), and that EUR 37,384,372.90 be transferred to retained earnings.

No material changes have taken place in the company's financial position since the end of the financial year.

Distribution of shares Largest shareholders

31 December 2024	no. of shares	%
Balder Finska Otas AB (Fastighets AB Balder)	48,483,564	57.0%
Stichting Depositary APG Strategic Real Estate Pool	19,217,470	22.6%
Elo Mutual Pension Insurance Company	10,849,621	12.8%
The State Pension Fund	4,194,300	4.9%
Valkila Erkkka	385,000	0.5%
Tradeka-invest Ltd	189,750	0.2%
Research Foundation of the Pulmonary Diseases	180,000	0.2%
SATO Corporation	166,000	0.2%
Komulainen Pekka	159,825	0.2%
Entelä Tuula	151,500	0.2%
Others (119 shareholders)	1,085,414	1.3%

On 31 December 2024, the Group had 129 shareholders entered in the book-entry register. The turnover of SATO Corporation's shares was 0.0% during the reporting year.

Annual General Meeting 2025

The Annual General Meeting of SATO Corporation will be held in Helsinki on Thursday, 20 March.

Helsinki, 6 February 2025.

SATO Corporation, Board of Directors



FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS, IFRS

CONSOLIDATED INCOME STATEMENT, IFRS

EUR million	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Net sales	3	304.1	288.4
Property maintenance expenses		-89.8	-89.7
Net rental income		214.4	198.7
Fair value change of investment properties, realised	4, 13	0.7	-18.7
Fair value change of investment properties, unrealised	13	12.0	-249.3
Sales, marketing and administrative expenses	6, 7, 8, 9	-39.0	-41.4
Other operating income	5	0.4	0.0
Other operating expenses	5	-2.9	-3.0
Share of profit of associated companies and joint ventures		0.0	0.0
Operating profit		185.6	-113.6
Financial income	10	28.9	17.7
Financial expenses	10	-109.0	-89.8
Net financing expenses		-80.1	-72.2
Profit before tax		105.4	-185.8
Income tax expenses	11	-21.3	31.9
Profit for the period		84.1	-153.9
Profit for the period attributable to			
Equity holders of the parent		84.1	-153.9
Non-controlling interests		0.0	0.0
Total		84.1	-153.9
Earnings per share attributable to equity holders of the parent	12		
Basic, EUR		1.04	-2.72
Diluted, EUR		1.04	-2.72
Average number of shares, million pcs		81.1	56.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

EUR million	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Other comprehensive income			
Items that may be reclassified to income statement			
Cash flow hedges	26	-7.8	-16.7
Translation differences		0.0	8.3
Related tax		1.6	3.3
Items that may be reclassified to income statement total		-6.2	-5.1
Other comprehensive income, net of tax		-6.2	-5.1
Total comprehensive income		77.9	-159.0
Comprehensive income attributable to			
Equity holders of the parent		77.9	-159.0
Non-controlling interest		0.0	0.0
Total		77.9	-159.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS

EUR million	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Investment property	13	4,971.4	4,885.7
Tangible assets	14	2.6	3.3
Intangible assets	9, 15	6.7	7.2
Investments in associated companies and joint ventures	17	0.1	0.1
Other non-current investments	18, 19	1.0	1.0
Other right-of-use assets	16	4.1	4.2
Derivative receivables	26	15.2	23.0
Non-current receivables	20	2.6	3.1
Deferred tax assets	21	6.9	10.5
Total		5,010.6	4,938.1
Current assets			
Accounts and other receivables	22	15.4	129.1
Current tax assets		2.3	10.8
Cash and cash equivalents	18, 23	31.3	7.0
Total		49.0	146.9
TOTAL ASSETS		5,059.6	5,085.0
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		4.4	4.4
Fair value and other reserves		11.9	18.1
Reserve fund		43.7	43.7
Reserve for invested non-restricted equity		314.8	227.9
Retained earnings		2,225.2	2,141.0
Total	24	2,600.0	2,435.2
Non-controlling interests		-0.2	-0.2
TOTAL SHAREHOLDERS' EQUITY		2,599.8	2,435.0

EUR million	Note	31 Dec 2024	31 Dec 2023
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	21	368.8	366.1
Provisions	27	1.4	1.5
Lease liabilities	16	55.7	54.2
Derivative liabilities	18, 26	0.6	0.1
Long-term interest-bearing liabilities	18, 25	1,709.0	1,516.3
Total		2,135.5	1,938.2
Current liabilities			
Accounts payable and other liabilities	28	54.0	58.6
Provisions	27	0.5	0.5
Lease liabilities	16	5.8	5.3
Current tax liabilities		2.9	4.4
Short-term interest-bearing liabilities	18, 25	261.1	642.9
Total		324.3	711.8
TOTAL LIABILITIES		2,459.8	2,650.1
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		5,059.6	5,085.0

CONSOLIDATED STATEMENT OF CASH FLOWS, IFRS

EUR million	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Cash flow from operating activities			
Profit for the period		84.1	-153.9
Adjustments:			
Non-cash items included in the profit	30	-7.6	253.3
Gains and losses on sales of investment properties and fixed assets		-0.9	18.5
Other adjustments		0.0	0.1
Interest expenses and other financial expenses	10	109.0	89.8
Interest income	10	-28.9	-17.6
Dividend income		0.0	0.0
Income taxes	11	21.3	-31.9
Cash flow before change in net working capital		177.1	158.3
Change in net working capital:			
Changes in accounts receivable and other receivables		0.4	1.1
Change in accounts payable and other liabilities		-1.1	-7.5
Interest and other financial expenses paid		-107.1	-91.0
Interest received		23.7	13.5
Taxes paid		-6.5	-35.7
Net cash flow from operating activities		86.6	38.8
Cash flow from investing activities			
Investments in investment properties		-69.3	-152.1
Net investment in tangible and intangible assets		-1.8	-3.8
Cash receipts from loans receivable and debt securities		19.9	0.0
Loans granted and investments in debt securities		-19.8	0.0
Disposals of investment property		6.8	52.6
Net cash flow from investing activities		-64.1	-103.3

EUR million	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Cash flow from financing activities			
Share issue		199.9	0.0
Repayments (-) / withdrawals (+) of current loans		-221.0	230.1
Withdrawals of non-current loans		768.2	255.0
Repayments of non-current loans		-743.2	-472.3
Repayments of lease liabilities		-2.1	-1.8
Net cash flow from financing activities		1.8	11.0
Change in cash and cash equivalents			
		24.3	-53.6
Cash and cash equivalents at the beginning of the period		7.0	60.5
Effect of exchange rate fluctuations on cash held		0.0	0.1
Cash and cash equivalents at the end of the period		31.3	7.0

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, IFRS

EUR million	Attributable to owners of the parent						Total	Non-controlling interests	Total equity
	Share capital	Fair value and other reserves	Reserve fund	Reserve for invested non-restricted equity	Retained earnings				
Shareholders' equity 1 Jan 2024	4.4	18.1	43.7	227.9	2,141.0	2,435.1	-0.2	2,435.0	
Comprehensive income:									
Cash flow hedges, net of tax	-	-6.2	-	-	-	-6.2	-	-6.2	
Translation differences	-	-	-	-	-	-	-	-	
Profit for the period	-	-	-	-	84.1	84.1	0.0	84.1	
Total comprehensive income	-	-6.2	-	-	84.1	77.9	0.0	77.9	
Transactions with shareholders:									
Share issue	-	-	-	86.9	-	86.9	-	86.9	
Dividend	-	-	-	-	-	-	-	-	
Transactions with shareholders, total	-	-	-	86.9	-	86.9	-	86.9	
Other adjustments	-	-	-	-	-	-	-	-	
Total of equity movements	-	-6.2	-	86.9	84.1	164.8	0.0	164.8	
Shareholders' equity 31 Dec 2024	4.4	11.9	43.7	314.8	2,225.2	2,600.0	-0.2	2,599.8	

EUR million	Attributable to owners of the parent						Total	Non-controlling interests	Total equity
	Share capital	Fair value and other reserves	Reserve fund	Reserve for invested non-restricted equity	Retained earnings				
Shareholders' equity 1 Jan 2023	4.4	31.5	43.7	114.8	2,286.6	2,481.1	-0.2	2,480.9	
Comprehensive income:									
Cash flow hedges, net of tax	-	-13.4	-	-	-	-13.4	-	-13.4	
Translation differences	-	-	-	-	8.3	8.3	-	8.3	
Profit for the period	-	-	-	-	-153.9	-153.9	0.0	-153.9	
Total comprehensive income	-	-13.4	-	-	-145.6	-159.0	0.0	-159.0	
Transactions with shareholders:									
Share issue	-	-	-	113.0	-	113.0	-	113.0	
Dividend	-	-	-	-	-	-	-	-	
Transactions with shareholders, total	-	-	-	113.0	-	113.0	-	113.0	
Other adjustments	-	-	-	-	-	-	-	-	
Total of equity movements	-	-13.4	-	113.0	-145.6	-45.9	0.0	-45.9	
Shareholders' equity 31 Dec 2023	4.4	18.1	43.7	227.9	2,141.0	2,435.1	-0.2	2,435.0	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

1. MATERIAL ACCOUNTING PRINCIPLES

General company information

SATO Corporation is a Finnish public limited company domiciled in Helsinki, Finland. SATO's registered address is Panuntie 4, 00600 Helsinki, Finland. SATO Corporation and its subsidiaries together form the consolidated SATO Group ("SATO" or "the Group"). SATO Corporation's majority shareholder is Balder Finska Otas AB, whose parent company is Fastighets AB Balder, which is quoted on the Stockholm Stock Exchange.

The Board of Directors approved the consolidated financial statements on 6 February 2025. A copy of the consolidated financial statements may be obtained at the aforementioned address and at www.sato.fi/en.

SATO provides housing solutions and its operations primarily consist of investment in housing properties. The focus of the Group's operations is on the largest growth centres, and approximately 86.3% of its investment properties are in the Helsinki region. The rest of the operations are located in Tampere and Turku.

SATO's housing investments include both privately financed and state-subsidised housing assets. In respect of the latter, SATO's business is affected by special characteristics of non-profit operations which are the result of restrictions set on the company's business by state-subsidised housing construction. The non-profit restrictions affect owner organisations through, among others, restrictions on distribution of profits, divestment and risk-taking as well as through the prohibition on lending and providing collateral. Housing is also affected by property-specific, fixed-term restrictions, which apply to matters such as the use and handover of apartments, the selection of the residents, and the setting of rent. In the exercise of non-profit activities, SATO is supervised by the following authorities: the Housing Fund of Finland (ARA), the State Treasury, the Ministry

of the Environment, and, concerning the selection of residents, local authorities.

General accounting principles

SATOs consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union with observation of the standards and interpretations effective on 31 December 2024. The notes to the consolidated financial statements are also in compliance with the Finnish accounting principles and corporate legislation.

The information in the financial statements is stated in millions of euros. Figures presented in these financial statements have been rounded from exact figures and, therefore, the sum of figures presented individually can deviate from the presented sum figure.

The preparation of IFRS financial statements requires judgement by the management in applying the accounting principles and making certain estimates and assumptions that are subject to uncertainty.

In note 2, information is given on key areas where management judgements or uncertainty factors in estimates and assumptions may cause the most material effects on the figures presented.

Principles of consolidation

The consolidated financial statements are a consolidation of the financial statements of the parent company and the subsidiaries. Subsidiaries are companies over which the parent company has control. Control over a subsidiary is presumed to exist when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Acquired subsidiaries are included in the consolidated financial statements from the date of acquisitions until the control ends. Acquired companies are included in the financial statements using the acquisition cost method. The net assets of the acquired company at the acquisition date are booked at the fair value of the land areas and buildings. Acquisitions of real property are generally treated as acquisitions of asset items.

All intra-group transactions, internal receivables and payables, in addition to profit on internal transactions and the distribution of profit between Group companies are eliminated as part of the consolidation process.

Mutual property companies and housing companies, in which the rights of control over specified apartments are determined by shareholdings, are treated as joint operations in the consolidated financial statements. In a joint operation, SATO has rights to the assets and obligations for the liabilities of the arrangement. Joint operations are accounted for in the consolidated financial statements in the manner prescribed in the IFRS 11 *Joint Arrangements* standard, by recognising SATO's assets and liabilities in the arrangement, including its share of joint assets and liabilities, and its revenue and expenses, including its share of joint revenue and expenses. Joint ventures, in which the Group and another party have joint control in the arrangement and which give the Group rights to the net assets of the arrangement, are consolidated in SATO's consolidated financial statements in accordance with IFRS 11, i.e., by the equity method.

Transactions denominated in foreign currencies

The financial statements of the Group entities are based on their primary functional currencies of the economic environment where the companies are operating. The presentation currency of the financial statements is the euro, which is also the functional currency of the parent company.

Transactions in foreign currencies are translated into the functional currency using the exchange rate of the date of transactions. At the end of the accounting period, all open balances of assets and liabilities denominated in foreign currencies are translated into euros at the closing date exchange rate. Foreign exchange gains and losses related to the primary business are treated as adjustments to income or expenses. Investment-related foreign exchange gains and losses are treated as adjustments to investments. Financial foreign exchange gains and losses are reported under financial income and expenses. Foreign exchange gains and losses from the translation of other assets and liabilities are reported in the income statement. Unrealised gains and losses related to cash flow hedges are reported in other comprehensive income.

Investment property

As defined in the IAS 40 *Investment Property* standard, investment properties are properties of which the Group retains possession to obtain rental income or appreciation in value and which are not occupied for use by the Group or for its operations, nor for sale in the ordinary course of business. Investment properties also include right-of-use assets that are classified as investment property based on their nature (right-of-use investment property), such as land leases.

At initial recognition, owned investment properties are measured at acquisition value, which includes transaction costs. Subsequently, investment properties are valued at fair value in accordance with IAS 40 and IFRS 13 *Fair value measurement*. Gains and losses from changes in fair value are recorded through profit and loss in the period when they are incurred. The fair value of an investment property represents the price that would be received for the property in an orderly transaction, taking place in the local (principal) market at the reporting date, considering the condition and location of the property.

Some of SATO's investment properties are subject to legislative and usage restrictions. The so-called non-profit restrictions apply to the owning company and the so-called property-specific restrictions apply to the investment owned. The non-profit restrictions include permanent limitations on the company's operations, distribution of profit, lending and provision of collateral, and the divestment of investments. The property-specific restrictions include the use of apartments, the selection of residents, the setting of rent and divestment of apartments, and they are fixed-term.

Investment properties financed with ARAVA loans and interest-subsidised loans are initially measured at acquisition cost, including the transaction costs. Subsequently, they are valued at the acquisition cost, plus accumulated investments and less accumulated depreciation and impairments. Unbuilt land and development projects whose realisation is uncertain are valued at cost or probable value, whichever is lower, if their fair value cannot be determined reliably.

Right-of-use investment properties are measured at cost upon their recognition, and, subsequently, at fair value in accordance with IFRS 16 and IAS 40 standards. The valuation is based on the present value of future contractual lease payments, which is deemed to represent the fair value of the right-of-use assets arising from the lease agreements.

The fair values of owned investment properties are based on the following:

- the income value method, used for investment properties that are currently let to tenants and can be sold without restrictions or that can be sold as entire properties and to a restricted group of buyers; and
- the remaining acquisition cost, used in properties funded with ARAVA loans or interest-subsidised loans, as well as unbuilt land and development projects, whose realisation is uncertain.

See further information on investment property valuation methods and related assumptions in notes 2 and 13.

An investment property is derecognised from the balance sheet when it is handed over or when the investment property is permanently removed from use and no future economic use can be expected from the handover. The profits and losses from divestments or removals from the use of investment properties are presented on separate lines in the profit and loss account.

Tangible assets

Tangible assets are valued at the original acquisition cost less accumulated depreciation and impairments. Other tangible assets are depreciated with the straight-line method over their estimated economic lives, which are as follows:

Machinery and equipment	5–10 years
Other tangible assets	3–6 years

The economic life and residual value of assets are reassessed at each year-end. Changes in the future economic benefits found in the assessment are taken into account by adjusting the economic life and residual value of the assets. Profits and losses arising from sales and divestments of tangible assets are booked in the profit and loss account and presented as other income and expenses of business operations.

Intangible assets

An intangible asset is recognised in the balance sheet only if the asset is identifiable, its cost can be measured reliably, and it is likely that an expected economic benefit attributable to the asset will flow to the Group.

An intangible asset is valued at the original acquisition cost less amortisation and any impairment. Intangible assets consist largely of computer software, which is subjected to straight-line amortisation over 3–6 years.

Lease agreements (SATO as a lessee)

SATO applies IFRS 16 *Leases* in its accounting for lease agreements. The Group makes an assessment of whether an agreement is a lease agreement in the scope of the standard and recognises, at the commencement date of the lease, a right-of-use asset and a lease liability (except for short-term leases and leases of low-value assets).

Based on their purpose, right-of-use assets are recognised either in investment properties, to the extent that they are classified as investment property, or in other leased assets.

Other right-of-use assets than those classified as investment property are recognised in the statement of financial position at the amount of the lease liability, including any initial direct costs and excluding any lease incentives received, and they are depreciated over their expected economic lives. The economic life is estimated separately for each asset, based on the duration of the lease and other key terms of the contract, such as extension or purchase options, if applicable. The right-of-use assets classified as investment property are subsequently measured at fair value (see section "Investment property" above). The lease liability is recognised in the statement of financial position at an amount equal to the discounted present value of future lease payments.

If any extension or purchase options are included in the contract, the Group assesses whether such an option is reasonably certain to be exercised and considers its effect on the economic life and cost of the asset.

The Group applies the recognition exemptions allowed by IFRS 16 and does not recognise short-term lease agreements and lease agreements of low-value assets in the statement of financial position. Leases with a duration of 12 months or less are considered short-term. The lease payments from these agreements are expensed in profit and loss over the lease term.

Lease agreements (SATO as a lessor)

Rental income from investment properties is recognised in profit and loss over the lease period and presented in net sales in the income statement. As a lessor, SATO has no agreements classified as financial lease agreements.

Impairment

At the end of each reporting period, an assessment of whether there is any indication that an asset may be impaired is made. If any such indication exists, the recoverable amount from the asset item is estimated. An asset is impaired if the carrying value exceeds the recoverable amount. An impairment loss is recognised in profit or loss.

When an impairment loss is booked, the economic life of the asset item subject to depreciation is reassessed. The impairment loss booked against the asset item is cancelled if there is an increase in the value of the assessment used to determine the recoverable amount from the asset item. However, the reversal of an impairment loss shall not exceed the carrying value of the asset item had no impairment loss been recognised.

Financial instruments

SATO's financial assets are classified, in accordance with IFRS 9 *Financial Instruments*, into the following categories: financial assets at fair value through profit and loss (FVTPL), financial assets at fair value through other comprehensive income (FVTOCI) and financial assets at amortised cost. The classification is made at the time of the initial recognition and is based on the contractual terms of the instrument and the Group's business model for the type of financial instruments.

Financial liabilities are classified as financial liabilities at amortised cost and financial liabilities at fair value through profit and loss under IFRS 9. The instruments are classified at the time of the initial recognition, based on the purpose of the instrument. Sales and purchases of financial instruments, other than those associated with derivatives, are booked on the clearance date. All derivatives are booked on the balance sheet on the trade date.

Financial assets and liabilities at fair value through profit and loss

The category includes derivative instruments which do not meet the conditions of hedge accounting in accordance with IFRS 9 and are hence classified in the trading portfolio. These instruments are valued at fair value, and gains and losses arising from changes in the fair value, both realised and unrealised, are recognised in the income statement for the period.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are principally stocks and shares, and they are presented in the statement of financial position in other non-current investments. Investments in listed securities are valued in the financial statements at the prices quoted in an active market at the closing date of the reporting period. Unlisted shares, the fair value of which cannot be determined reliably, are valued at acquisition cost. Unrealised changes in the value of the assets in this class are booked in other comprehensive income, with allowance for the deferred tax. Accumulated changes in fair value are not booked from the fair value reserve to profit and loss until the investment is sold.

Financial assets at amortised cost

Financial assets at amortised cost are non-derivative assets for which the cash flows consist of payments of principal and interest, as applicable, and which are not held for trading purposes. On the statement of financial position, they are included in non-current receivables, accounts receivable and other receivables or cash and cash equivalents, according to their terms.

At initial recognition, loan receivables are measured at fair value including any transaction costs, and they are subsequently measured at amortised cost, using the effective interest rate method. Short-term accounts receivables are initially measured at the transaction value. For impairment of accounts receivable, the Group applies the simplified approach allowed by IFRS 9, whereby it makes an assessment of the lifetime expected credit losses for its accounts receivable at each reporting date, and

based on this assessment, recognises the impairment through profit and loss.

Cash and cash equivalents are comprised of cash in hand, bank accounts and liquid investments with maturities of three months or less at the date of initial recognition. Any credit balances of bank accounts with an overdraft facility are included in current liabilities. The cash and cash equivalents of non-profit companies are kept separate from those of companies not subject to non-profit restrictions.

Financial liabilities at amortised cost

Financial liabilities are initially recognised at fair value of the proceeds less transaction expenses. Subsequently, interest-bearing liabilities are valued at amortised cost using the effective interest method. Financial liabilities are included in non-current and current liabilities, and they may be interest-bearing or non-interest-bearing. Interest is accrued in the income statement for the accounting period by the effective interest method.

Derivatives and hedge accounting

All derivatives are originally booked at fair value at the trade date and are subsequently measured at fair value. The accounting treatment of profits and losses depends on the intended use of the derivatives. The Group documents the designation of hedging instruments to hedged items and makes its assessment as to whether the derivatives used for hedging are highly effective in negating the changes in the cash flows of the hedged items. The effectiveness is reviewed both when starting the hedging and at each reporting date. The fair value of derivatives is calculated by discounting the contractual cash flows. The fair value of interest-rate options is calculated by using the market prices at the balance sheet date and option valuation models. The Group treats derivatives either as cash flow hedges for floating-rate loans or as derivatives which do not meet the conditions of hedge accounting under IFRS 9. Changes in the value of derivatives subject to hedge accounting are recorded in other comprehensive income. Gains and losses are transferred to the interest expenses in the income statement at the same time as the interest expenses on the hedged item. Any

ineffective part of a hedging relationship is booked immediately in financial expenses. Changes in value of derivatives, for which hedge accounting is not applied, are recorded in profit and loss.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that settling the obligation will require payment or cause an economic loss, and the amount can be reliably estimated.

The Group recognises a provision for statutory 10-year guarantees related to new apartments sold. The 10-year provision is measured based on prior experience of the realisation of these obligations. In addition, a warranty provision is recognised upon the recognition of revenue from the project. The amount of the warranty provision is based on prior experience of the actual warranty costs and the specific risks related to the project.

A provision for onerous contracts is recognised when the unavoidable costs of settling the obligations exceed the benefits received from the contract.

Principles of income recognition

SATO recognises those income items that are not in the scope of any other standard according to the revenue recognition principles of IFRS 15 *Revenue from Contracts with Customers*. In addition, the rules in IAS 40 regarding disposals are applied to the sale of investment properties. Under IFRS 15, a five-step model is applied to determine when, and at which amount, revenue is recognised. SATO makes an assessment of the performance obligations included in the contract, after which income is recognised when (or as) control is transferred, either over time or at a point in time.

Principles of income recognition for sales of investment property

Sales of the Group's investment property normally consist of a single performance obligation, for which income is recognised at a point in time when control of the asset is transferred to the

buyer. SATO assesses for each transaction whether the contract includes other performance obligations, such as a material financing component, and determines the expected income from them. Income from any additional performance obligations is recognised over time or at a point in time, depending on their nature.

Principles of income recognition for sales of new homes

Income from sales of new homes is recognised at a point in time when control of the sold asset is transferred to the buyer. The sale of an apartment is considered to form a single performance obligation. In respect of the homes sold during construction, the risks and benefits are deemed to be transferred on the completion date of the property, whereas for completed homes, they are transferred on the sale date.

Income from services

Income from services, such as property management, is recognised as the service is performed.

Borrowing costs

Borrowing costs are capitalised as part of an asset's acquisition cost when they are due to acquisition, construction or manufacture of a qualifying asset. A qualifying asset is one of which the completion for its intended use or sale will necessarily take a substantial period of time. Other borrowing costs are expensed in the financial year when they have been incurred. Direct transaction costs from the raising of loans, which can be attributed to a particular loan, are included in the cost of the loan and amortised as an interest expense using the effective interest rate method.

Public grants

For SATO, the main form of public support is state-supported interest-subsidised loans and ARAVA loans, in which state-backed housing is funded by low-interest debt subsidised by the government. The real interest on these loans is lower than the interest expenses would be on loans with market terms. The interest benefit obtained through public support is therefore netted into interest expenses in accordance with IAS 20

Accounting for Government Grants and Disclosure of Government Assistance and is not separately presented as interest income.

Other direct public grants, such as investment grants, are recorded as reductions in the book values of the subsidised assets. The grants received therefore reduce the original acquisition cost of those assets.

Pension arrangements

SATO's current pension arrangements are classified as defined contribution arrangements. Contributions to defined contribution pension arrangements are recorded as expenses in profit and loss for the period when they are incurred. The Group has no legal or actual obligation to make further payments if the recipient of the payments is unable to perform the payment of these pension benefits.

Income taxes

Income taxes include taxes based on the taxable profit for the current year, adjustments to previous years' taxes, and changes in deferred taxes. Deferred tax assets and liabilities are calculated from the differences between the taxational values of assets and liabilities and their carrying values under IFRS. The tax rate approved by the financial statement date is used to determine the deferred taxes. For SATO, the largest temporary differences arise from investment properties measured at fair value through profit and loss and from financial instruments measured at fair value through other comprehensive income. Deferred tax assets are recorded up to the amount for which it is likely that there will be taxable income in the future, against which the temporary difference can be used.

Net rental income

Net rental income is the sum of net sales less property maintenance expenses.

Operating profit

Operating profit is the net sum obtained from net rental income, by adding gains from divestments of investment properties, the share of the profit of joint ventures and associated companies,

and other operating income, and deducting the sales, marketing and administrative expenses, losses from divestments of investment properties and other operating expenses. Also, it includes the gain or loss from unrealised fair value changes of investment properties. Exchange gains and losses are included in operating profit when they arise from items related to ordinary business operations. Exchange gains and losses attributable to financing are recorded in financial income and expenses.

New and amended standards applied in the financial year ended

New IFRS standards, amendments to standards and IFRIC interpretations entered into force on 1 January 2024 have not had any material impact on the Group.

Adoption of new and amended standards and interpretations applicable in upcoming financial years

New IFRS standards, amendments to standards and IFRIC interpretations effective on or after January 1, 2025, are not expected to have any material impact on the Group.

2. MANAGEMENT JUDGEMENTS AND KEY ESTIMATES AND ASSUMPTIONS UNDERLYING THE CONSOLIDATED FINANCIAL STATEMENTS

Preparing financial statements requires judgements, estimates and assumptions to be made in certain matters, affecting the amounts of assets, liabilities and conditional liabilities on the consolidated statements of financial position as well as the amount of income and expenses in the income statement. The judgements, estimates and assumptions that have the most material effects on the preparation of the financial statements, are presented in the following.

Management judgements

In the process of applying the Group's accounting principles, management has made the following judgements, which have a material effect on the amounts recognised in the consolidated financial statements.

- Classification of acquisitions. The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of assets. The Group considers whether the acquisition represents a business as defined in IFRS 3 Business combinations, i.e., whether an integrated set of activities and processes is acquired in addition to the property. When the acquisition of subsidiaries does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based on their relative fair values, and no goodwill or deferred tax is recognised.
- Classification of properties. The Group determines whether a property is classified as an investment property or a tangible asset. Investment property comprises land and buildings (primarily housing units) that are not occupied for use by the Group or for its operations, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants. Property in tangible assets comprises other than

investment properties, and they are occupied for use by the Group or for its operations.

Key estimates and assumptions

Estimates and assumptions underlying the financial statements are based on the management's historical experience, the best available information about the events at the reporting date, and other factors, such as expectations concerning the future that are considered reasonable under current circumstances. Due to the uncertainty involved, actual amounts may differ materially from the estimates used in the financial statements. The changes in estimates, assumptions and the factors affecting them are followed in the Group by using both internal and external sources of information.

Revisions of accounting estimates are recorded for the period in which the estimate is revised if the change in the estimate only affects that period. If the change in the estimate affects both the period in which it is made and subsequent periods, the effect arising from the change in the estimate is correspondingly recorded in current and subsequent periods.

The key estimates and assumptions, which are considered to involve a material risk of causing a material adjustment in future periods, are described below.

- The fair value of investment property is determined using recognised valuation techniques and the principles of IFRS 13 Fair Value Measurement. Due to the fact that market prices for properties are not observable on a quoted market, the fair value measurement for investment property is performed using indirect valuation techniques that require the use of several assumptions by the Group management. For the majority of the Group's investment property, the fair value measurement is done with the income value method, whereby the expected future cash flows of the assets are discounted to their present value. The cash flow forecasts require making estimates and assumptions concerning the future rental income, vacancy, operating expenses and renovation needs of the properties. The discount rate is

comprised of the estimated yield and the inflation assumption. More information on the methods and assumptions used by the Group in fair value measurement of investment property are presented in note 13.

- The amount of provisions recognised on property development projects requires estimates of the obligations arising from the projects. The amounts recorded as provisions are based on the management's assessment of the specific risks in each project. Key considerations in the management's assessment include technical, contractual and legal aspects related to the project, as well as the Group's prior experience on similar projects.

3. SEGMENT INFORMATION

SATO has one operating segment. Significant operational decisions at SATO are made by the Board of Directors, which reviews the operating results and profitability as a single operating segment.

SATO completed the divestment of the business in Russia on 14 April 2023. After the transaction, the Group operates in one geographic region, Finland.

SATO does not have any single external customers that would account for 10% or more of SATO's revenues.

EUR million	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Net sales by geographical region		
Finland	304.1	287.1
Russia	-	1.3
Total	304.1	288.4

Non-current assets by geographical region

SATO's non-current assets are located in Finland.

4. RESULT ON DISPOSAL OF INVESTMENT PROPERTIES

EUR million	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Gains and losses on sales of investment properties		
Gains on sales of investment properties	5.3	0.4
Losses on sales of investment properties	-4.6	-19.0
Total	0.7	-18.7

Proceeds from the disposal of investment properties include the disposal price received, net of disposal costs. The carrying value of disposed-of assets includes the fair value recognised on the prior period statement of financial position and any capitalised expenses for the period.

SATO completed the divestment of the business in Russia on 14 April 2023. Translation differences related to the Russian business operations are presented separately.

Specification of significant investments and disposals are presented in note 13. Investment properties.

EUR million	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Sale of residential investment properties		
Proceeds from disposal of residential investment properties	2.4	58.9
Carrying value of investment properties sold	-1.9	-69.7
Translation differences	-	-6.3
Total	0.5	-17.1

EUR million	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Sale of land plots		
Proceeds from disposal of land plots	4.4	0.5
Carrying value of land plots sold	-4.2	-2.1
Total	0.2	-1.6
Total	0.7	-18.7

5. OTHER OPERATING INCOME AND EXPENSES

EUR million	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Other operating income		
Sales income, new production	0.7	0.4
New production expenses	-0.8	-1.4
Other income	0.6	1.1
Total	0.4	0.0

EUR million	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Other operating expenses		
Bad debts expensed in the period	-4.3	-2.8
Post-collection income	1.1	1.5
Other expenses	0.2	-1.7
Total	-2.9	-3.0

6. PERSONNEL EXPENSES

EUR million	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Personnel expenses		
Salaries and wages	18.0	18.0
Defined contribution pension plans	3.0	3.4
Other personnel expenses	0.5	0.7
Total	21.4	22.1

Management employee benefits are presented in note 32. Related party transactions. Average number of personnel during the period has been 315 (333).

7. AUDITORS' FEES

EUR million	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Auditors' fees		
Audit	0.2	0.2
Other audit-related assignments	0.1	0.0
Total	0.3	0.2

Deloitte Oy, Authorised Public Accountants, have acted as SATO's auditors.

The audit fees include fees relating to audits of SATO, its subsidiaries and the consolidated financial statements of the Group. Other audit-related assignment fees include assurance and other services related to audit.

8. DEPRECIATION, AMORTISATION AND IMPAIRMENT CHARGES

EUR million	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Depreciation, amortisation and impairment charges by asset class			
Tangible assets	14	1.1	1.1
Intangible assets	15	2.1	1.8
Other right-of-use assets	16	1.3	1.1
Total		4.5	4.1

9. RESEARCH AND DEVELOPMENT

Research and development expenses during 2024 were EUR 0.6 million (0.5) and capitalised development costs were EUR 1.6 million (1.9).

10. FINANCIAL INCOME AND EXPENSES

EUR million	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Financial income		
Interest income on loans	6.4	2.3
Interest income on derivatives	16.6	14.2
Dividend income from other non-current investments	0.0	0.0
Foreign exchange gains	0.0	0.0
Fair value gains, financial instruments	-	1.2
Other financial income	5.8	-
Total	28.9	17.7

EUR million	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Financial expenses		
Interest expense on financial liabilities measured at amortised cost	-90.8	-73.7
Interest expense on derivatives	-5.9	-5.2
Interest expense on lease liabilities*	-3.5	-3.3
Foreign exchange losses	0.0	-0.1
Fair value losses, financial instruments	-0.4	-
Other financial expenses	-8.4	-7.5
Total	-109.0	-89.8
Financial income and expenses, net	-80.1	-72.2

* Includes the financial expense component from lease agreements recognised in accordance with IFRS 16 Leases. See note 16 for further information.

11. INCOME TAXES

EUR million	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Income taxes recognised in income statement			
Current tax from accounting period		13.5	15.5
Current tax from previous periods		0.0	0.1
Changes in deferred tax assets and liabilities	21	7.8	-47.5
Total		21.3	-31.9

Reconciliation between the income tax expense recognised in income statement and tax expense calculated with domestic corporate tax rate (20%) of the parent company:

EUR million	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Profit before taxes	105.4	-185.8
Income tax calculated with domestic corporate tax rate of the parent	21.1	-37.2
Non-deductible expenses and tax-exempt income	-0.1	1.3
Valuation of deferred tax assets	-	3.0
Taxes from prior periods	0.0	0.1
Other items	0.2	0.9
Total adjustments	0.2	5.2
Income tax expense in income statement	21.3	-31.9
Effective tax rate, %	20.2	17.2

12. EARNINGS PER SHARE

Undiluted earnings per share is calculated by dividing parent company profit attributable to equity holders with weighted average number of shares outstanding. The total number of SATO's shares at 31 December 2024 was 85,062,444 (56,783,067). At the end of the reporting period, SATO held 166,000 of its own shares (166,000).

	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Profit attributable to equity holders of the parent, EUR million	84.1	-153.9
Weighted average of shares, million pcs	81.1	56.6
Earnings per share, EUR		
Basic	1.04	-2.72
Diluted	1.04	-2.72

13. INVESTMENT PROPERTIES

EUR million	Note	2024	2023
Fair value of investment properties, 1 Jan			
Fair value of investment properties, 1 Jan		4,885.7	5,044.2
Acquisitions of properties		36.1	0.0
New construction and other investments in properties		40.4	151.7
Disposals of investment properties		-7.5	-70.2
Capitalised borrowing costs	33	1.3	1.8
Reclassified from other items		0.5	2.9
Gains and losses in profit and loss from changes in fair value*		12.0	-249.3
Exchange rate differences, no P/L effect		-	1.7
Remeasurement of right-of-use investment properties, no P/L effect	16	3.0	2.9
Fair value of investment properties, 31 Dec		4,971.4	4,885.7

* Gains and losses from changes in fair value include foreign exchange gains and losses of EUR 0.0 million (0.1).

Significant acquisitions of investment properties during the period:

Based on a precontract concluded on 30 November 2020, SATO Corporation and Senate Properties signed the final contract on a property acquisition concerning an upcoming block area of residential buildings in the Viikki district of Helsinki on 7 March 2024. The local detailed plan concerning the block area was confirmed on 1 February 2024. Located at Maakaarenkuja 2, the plot has residential building rights for around 300–350 new apartments.

Significant disposals of investment properties during the period:

On 30 April 2024, SATO concluded the sale of three land plots to Hartela Etelä-Suomi Oy and Hartela Länsi-Suomi Oy. Two of these are located in Kirkkonummi and one in Turku. On 13 June 2024, SATO signed a precontract with VRP Rakennuspalvelut Oy. In the coming years, SATO will sell three land plots in phases. Two of these are located in Espoo and one in Helsinki.

On 29 August 2024, SATO concluded a land exchange transaction in which SATO sold a leasehold area of approximately 1,796 m² in Myllypuro, Helsinki to the City of Helsinki. In exchange, SATO acquired two residential apartment building plots from the City of Helsinki, located in the same block where two of SATO's residential apartment buildings are located. The new zoning plan for the acquired plots allows for the construction of approximately 200 new apartments and a parking facility in the coming years, replacing the current 54 apartments.

On 15 November 2024, SATO signed a precontract for a real estate transaction with JM Suomi Oy concerning a residential apartment building plot developed by SATO in Lauttasaari, Helsinki. Based on the precontract, SATO will sell the property to JM Suomi Oy in January 2025.

Investment property valuation principles

SATO's investment properties mainly comprise of residential properties. In addition, the investment properties include commercial premises, parking spaces, unbuilt land and development projects, as well as right-of-use investment properties.

The housing properties are located in the largest growth centres, with approximately 86.3% of them located in the Helsinki region. The quality of investment properties is maintained by renovation and repair activities based on their lifecycle and repair plans. The change in the

fair value of SATO's investment property was mainly due to market price levels, reclassifications from measurement group to another when legal restrictions ended and changes in parameters used in valuation, and the change in valuation method (see below section "Income value method").

Some of the residential investment properties are subject to legislative and usage restrictions. The so-called non-profit restrictions apply to the owning company and the so-called property-specific restrictions apply to the investment owned. The non-profit restrictions include permanent limitations on the company's operations, distribution of profit, lending and provision of collateral, and the divestment of investments. The property-specific restrictions include the use of apartments, the selection of residents, the setting of rents and divestment of apartments, and they are fixed-term.

The valuation of investment properties in SATO's ownership is based on a method which has been prepared by SATO in co-operation with a third party expert (currently: JLL). The external expert semi-annually issues a statement on the applicability of SATO's valuation methods, the appropriateness of sources of information used and the credibility of the valuation. As part of the valuation process, the external expert also reviews each SATO's property on site every three years. The principles and methods used in the fair value measurement are approved by the Corporate Management Group. During the valuation process all the periodical changes are analysed. The result of the valuation and the periodic change in fair value recorded through profit and loss are reported to the Corporate Management Group and Board of Directors.

At inception, owned investment properties are recognised at acquisition value, which includes transaction costs. Thereafter, they are recorded at fair value. Gains and losses from changes in fair value are recorded through profit and loss in the period when they are incurred. Fair value of an investment property represents the price that, according to the Group's estimate, would be received for the property in an orderly transaction taking place in the local (principal) market at the reporting date, considering the condition and location of the property. Unbuilt land and development projects whose realization is uncertain are valued at cost or probable value, whichever is lower, if their fair value cannot be determined reliably. The valuation methods for SATO's owned investment properties are income value method and acquisition cost method.

SATO's right-of-use investment properties include land plots leased for residential construction. The land lease agreements are accounted for as right-of-use assets classified as investment property and measured at fair value in accordance with the IFRS 16 Leases and IAS 40 Investment property standards. They are valued at the present value of future lease payments of the underlying agreements, which is considered to be equivalent to their fair value. Further details about the Group's lease portfolio are presented in note 16.

Income value method

Most of the Group's investment properties that are currently let to tenants are valued using the income value method. The method is based on a cash flow analysis, whereby the estimated cash flows for 10 years and the terminal value are discounted to their present value. The cash flows are based on forecasts on rent levels, vacancy, operating expenses and renovation needs of the properties. The discount rate is comprised of the yield and the inflation assumption. The yields are determined based on location, age and technical condition of the properties.

An external expert (JLL) has issued a statement regarding the SATO's valuation method, and the statement is consistent with the valuation of investment properties in the consolidated financial statements.

The following table presents the key inputs used in valuation of investment properties by income value method, as of 31 December 2024.

	Average
Yield requirement, %	4.3
Long-term economic occupancy rate, %	98.0
Operating expenses, EUR/m ² /month	4.9
Growth assumption of operating expenses, %	2.3
Growth assumption of market rents, %	2.3
Inflation assumption, %	1.8

Acquisition cost

Properties funded with ARAVA loans or interest-subsidised loans are valued at cost less any impairments, which is estimated to represent their fair value. Unbuilt land and development projects whose realization is uncertain are valued at cost or probable value, whichever is lower, if their fair value cannot be determined reliably.

EUR million	Note	31 Dec 2024	31 Dec 2023
Investment property classified by valuation method			
Income value method		4,636.7	4,563.9
Acquisition cost		278.0	267.1
Owned investment property, total		4,914.7	4,831.0
Right-of-use investment properties	16	56.7	54.7
Investment property, total		4,971.4	4,885.7

Sensitivity analysis of investment property fair values, income value method

The following table illustrates how changes in key parameters used in fair value measurement by the income value method would affect the fair value of the property portfolio, when one parameter at a time is changed. In practice, changes in real estate markets are often reflected in more than one parameter simultaneously.

Change %	-10%	-5%	0%	5%	10%
Yield requirement, EUR million	473.4	224.2		-202.8	-387.0
Gross rental income, EUR million	-505.4	-252.7		252.7	505.4
<hr/>					
Change %-points		-1%	0%	1%	
Economic occupancy rate, EUR million		-60.6		60.6	

All SATO's investment properties are classified in hierarchy level 3 under IFRS 13. Items which are included in the hierarchy level 3 are measured using input data which is not based on observable market data.

14. TANGIBLE ASSETS**2024**

EUR million	Note	Machinery and equipment	Other tangible assets	Total
Acquisition cost, 1 Jan		9.2	1.7	10.9
Additions		0.4	0.1	0.4
Disposals		-0.5	0.0	-0.5
Transfers between items		0.0	0.0	0.0
Acquisition cost, 31 Dec		9.0	1.8	10.7
Accumulated depreciation, 1 Jan		6.3	1.2	7.5
Disposals		-0.5	-	-0.5
Depreciation and impairments for the period	8	1.1	0.0	1.1
Transfers between items		-	-	-
Accumulated depreciation, 31 Dec		6.9	1.2	8.2
Carrying value, 1 Jan		2.8	0.5	3.3
Carrying value, 31 Dec		2.1	0.5	2.6

2023

EUR million	Note	Machinery and equipment	Other tangible assets	Total
Acquisition cost, 1 Jan		8.4	1.6	10.0
Additions		1.2	0.1	1.3
Disposals		-0.4	0.0	-0.4
Transfers between items		0.0	0.0	0.0
Acquisition cost, 31 Dec		9.2	1.7	10.9
Accumulated depreciation, 1 Jan		5.6	1.1	6.7
Disposals		-0.3	-	-0.3
Depreciation and impairments for the period	8	1.0	0.0	1.1
Transfers between items		0.0	0.0	0.0
Accumulated depreciation, 31 Dec		6.3	1.2	7.5
Carrying value, 1 Jan		2.8	0.5	3.3
Carrying value, 31 Dec		2.8	0.5	3.3

15. INTANGIBLE ASSETS**2024**

EUR million	Note	Intangible rights	Other intangible assets	Total
Acquisition cost, 1 Jan		0.0	19.0	19.0
Additions		-	1.6	1.6
Disposals		-	-	-
Transfers between items		-	-	-
Acquisition cost, 31 Dec		0.0	20.6	20.6
Accumulated amortisation, 1 Jan		0.0	11.8	11.8
Disposals		-	-	-
Amortisation for the period	8	-	2.1	2.1
Transfers between items		-	-	-
Accumulated amortisation, 31 Dec		0.0	13.9	13.9
Carrying value, 1 Jan		0.0	7.2	7.2
Carrying value, 31 Dec		0.0	6.7	6.7

2023

EUR million	Note	Intangible rights	Other intangible assets	Total
Acquisition cost, 1 Jan		0.0	17.2	17.2
Additions		-	1.9	1.9
Disposals		-	-0.1	-0.1
Transfers between items		-	0.0	0.0
Acquisition cost, 31 Dec		0.0	19.0	19.0
Accumulated amortisation, 1 Jan		0.0	10.1	10.1
Disposals		-	-	-
Amortisation for the period	8	-	1.8	1.8
Transfers between items		-	-0.1	-0.1
Accumulated amortisation, 31 Dec		0.0	11.8	11.8
Carrying value, 1 Jan		0.0	7.1	7.1
Carrying value, 31 Dec		0.0	7.2	7.2

16. LEASES

Right-of-use assets 2024

EUR million	Note	Right-of-use investment properties*	Other right-of-use assets, office premises	Other right-of-use assets, cars	Total
Carrying value, 1 Jan		54.7	4.2	-	58.9
Additions		-	-	0.9	0.9
Disposals		-0.1	-	-	-0.1
Remeasurement of lease agreements		3.0	0.2	0.0	3.2
Changes of fair value in profit and loss	13	-0.9	-	-	-0.9
Depreciation for the period	8	-	-1.2	-0.1	-1.3
Carrying value, 31 Dec		56.7	3.2	0.9	60.8

2023

EUR million	Note	Right-of-use investment properties*	Other right-of-use assets, office premises	Other right-of-use assets, cars	Total
Carrying value, 1 Jan		52.6	4.9	-	57.5
Additions		-	-	-	-
Disposals		-	-	-	-
Remeasurement of lease agreements		2.9	0.5	-	3.4
Changes of fair value in profit and loss	13	-0.8	-	-	-0.8
Depreciation for the period	8	-	-1.1	-	-1.1
Carrying value, 31 Dec		54.7	4.2	-	58.9

* Right-of-use investment properties are measured at fair value and presented under investment properties in the statement of financial position. See further details in note 13.

SATO recognises leases in accordance with the IFRS 16 Leases standard. SATO has recognised right-of-use assets in scope of the standard under investment properties, to the extent that they are classified as investment property (right-of-use investment properties, see note 13), and otherwise under a new balance sheet item "Other right-of-use assets".

The right-of-use investment properties include land lease agreements, which are related to residential investment properties. At the end of the reporting period, the average remaining lease term of the Group's land leases was 16.8 years (16.9). Their lease payments are index dependent. Other right-of-use assets include leases for premises for SATO's own use and car leases. All lease agreements for SATO's own use premises mature in less than ten years and their lease payments are index-based. All SATO's car lease agreements mature in less than five years.

In the current period, the Group has recorded EUR 0.2 million (0.1) of lease expenses from short-term lease agreements in the sales, marketing and administrative expenses. Total cash outflows for the Group's leases during the period amounted to EUR 5.9 million (5.4).

Lease liabilities

EUR million	31 Dec 2024	31 Dec 2023
Non-current		
From land lease agreements	52.7	50.9
From other lease agreements, office premises	2.3	3.3
From other lease agreements, cars	0.7	-
Total	55.7	54.2
Current		
From land lease agreements	4.3	4.0
From other lease agreements, office premises	1.2	1.2
From other lease agreements, cars	0.2	-
Total	5.8	5.3
Total	61.5	59.5

17. INTERESTS IN OTHER ENTITIES

Group composition

SATO has 11 subsidiaries (13) that are individually material to the Group. Subsidiaries are entities over which SATO has control, and they are consolidated to the Group. There are no material non-controlling interests in any of the Group's subsidiaries.

Mutual property companies and housing companies, in which the rights of control over specified apartments are determined by shareholdings, are treated as joint operations in the consolidated financial statements. None of these entities is individually material to the Group. Joint operations are accounted for in the consolidated financial statements in the manner prescribed in the IFRS 11 Joint Arrangements standard by recognising SATO's assets and liabilities in the arrangement, including its share of joint assets and liabilities, and its revenue and expenses, including its share of joint revenue and expenses.

A list of all entities owned by the Group or the parent company is presented in note 35.

Significant restrictions

The non-profit subsidiaries are subject to regulatory restrictions limiting distribution of profit from those entities. More information of the restrictions are presented in note 24. Shareholders' equity.

Joint ventures and associated companies

SATO did not have joint ventures or associated companies material to the Group in 2024 or 2023.

18. FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

31 December 2024

EUR million	Note	Fair value through other comprehensive income	Fair value through profit and loss	Assets and liabilities at amortised cost	Carrying amount total	Fair value hierarchy		
						Level 1	Level 2	Level 3
Non-current financial assets								
Other non-current investments	19	1.0	-	-	1.0	-	1.0	-
Derivative assets	26	14.4	0.8	-	15.2	-	15.2	-
Total		15.4	0.8	-	16.2			
Current financial assets								
Accounts receivable	22	-	-	6.2	6.2	-	6.2	-
Derivative assets	26	0.6	-	-	0.6	-	0.6	-
Cash and cash equivalents	23	-	-	31.3	31.3	-	31.3	-
Total		0.6	-	37.5	38.1			
Non-current financial liabilities								
Corporate bonds	25	-	-	571.8	571.8	546.8	-	-
Other loans	25	-	-	1,137.2	1,137.2	-	1,143.7	-
Derivative liabilities	26	0.6	-	-	0.6	-	0.6	-
Total		0.6	-	1,709.0	1,709.6			
Current financial liabilities								
Corporate bonds	25	-	-	-	-	-	-	-
Other loans	25	-	-	261.1	261.1	-	261.1	-
Derivative liabilities	26	-	-	-	-	-	-	-
Accounts payable	28	-	-	7.8	7.8	-	7.8	-
Total		-	-	268.9	268.9			

31 December 2023

EUR million	Note	Fair value through other comprehensive income	Fair value through profit and loss	Assets and liabilities at amortised cost	Carrying amount total	Fair value hierarchy		
						Level 1	Level 2	Level 3
Non-current financial assets								
Other non-current investments	19	1.0	-	-	1.0	-	1.0	-
Derivative assets	26	21.8	1.2	-	23.0	-	23.0	-
Total		22.8	1.2	-	24.1			
Current financial assets								
Accounts receivable	22	-	-	6.3	6.3	-	6.3	-
Derivative assets	26	0.4	-	-	0.4	-	0.4	-
Cash and cash equivalents	23	-	-	7.0	7.0	-	7.0	-
Total		0.4	-	13.3	13.7			
Non-current financial liabilities								
Corporate bonds	25	-	-	398.6	398.6	341.2	-	-
Other loans	25	-	-	1,117.7	1,117.7	-	1,119.6	-
Derivative liabilities	26	0.1	-	-	0.1	-	0.1	-
Total		0.1	-	1,516.3	1,516.4			
Current financial liabilities								
Corporate bonds	25	-	-	350.0	350.0	343.0	-	-
Other loans	25	-	-	292.9	292.9	-	292.9	-
Derivative liabilities	26	-	-	-	-	-	-	-
Accounts payable	28	-	-	4.4	4.4	-	4.4	-
Total		-	-	647.4	647.4			

The cash flow hedging derivatives are valued at fair value through other comprehensive income.

The fair values of assets and liabilities at fair value hierarchy level 1 are quoted market prices. Values on hierarchy level 2 are based on discounted cash flows, with market rates as calculation input.

19. OTHER NON-CURRENT INVESTMENTS

EUR million	31 Dec 2024	31 Dec 2023
Other non-current investments		
Other holdings	1.0	1.0
Total	1.0	1.0

SATO presents its other non-current investments categorised into quoted shares and other holdings. Unrealised valuation gains and losses from other non-current investments are recognised in other comprehensive income and in fair value reserve, after accounting for tax effects. Other holdings include shares in unlisted companies and are valued at acquisition cost if their fair value cannot be reliably determined.

20. NON-CURRENT RECEIVABLES

EUR million	31 Dec 2024	31 Dec 2023
Non-current receivables		
Other non-current receivables	2.6	3.1
Total	2.6	3.1

21. CHANGES IN DEFERRED TAX ASSETS AND LIABILITIES**2024**

EUR million	1 Jan	Other adjustments	Recognised through profit or loss	Recognised through other comprehensive income	Purchased / sold subsidiaries	31 Dec
Deferred tax assets						
Valuation of financial instruments at fair value	0.4	-	0.3	0.1	-	0.9
Periodisation and temporary differences	10.1	-	-4.1	-	-	6.0
Total	10.5	-	-3.8	0.1	-	6.9
Deferred tax liabilities						
Valuation of investment properties at fair value	326.8	-	7.7	-	-	334.5
Valuation of financial instruments at fair value	5.5	-	0.8	-1.5	-	4.8
Reclassification of housing provisions and depreciation differences	32.3	-	-4.5	-	-	27.8
Periodisation and temporary differences	0.0	-	-	-	-	0.0
Allocated acquisition costs	1.6	-	-	-	-	1.6
Total	366.1	-	4.1	-1.5	-	368.8

2023

EUR million	1 Jan	Other adjustments	Recognised through profit or loss	Recognised through other comprehensive income	Purchased / sold subsidiaries	31 Dec
Deferred tax assets						
Valuation of financial instruments at fair value	0.4	-	0.1	0.0	-	0.4
Periodisation and temporary differences	5.6	0.0	4.5	-	-	10.1
Total	6.0	0.0	4.6	0.0	-	10.5
Deferred tax liabilities						
Valuation of investment properties at fair value	366.1	-0.8	-41.6	-0.2	3.2	326.8
Valuation of financial instruments at fair value	8.8	-	0.0	-3.3	-	5.5
Reclassification of housing provisions and depreciation differences	36.6	-	-4.3	-	-	32.3
Periodisation and temporary differences	0.0	-	-	-	-	0.0
Allocated acquisition costs	1.6	-	-	-	-	1.6
Total	413.1	-0.8	-46.0	-3.5	3.2	366.1

22. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

EUR million	Note	31 Dec 2024	31 Dec 2023
Accounts receivable and other receivables			
Accounts receivable	18	6.2	6.3
Prepaid expenses and accrued income		5.7	119.8
Other receivables		3.5	3.0
Total		15.4	129.1

31 December 2024

EUR million	Gross amount	Expected credit loss	Carrying amount
Aging structure of accounts receivable			
Not due and less than one month overdue	3.7	-1.1	2.7
1 to 6 months overdue	2.8	-0.8	2.0
More than 6 months overdue	3.4	-1.9	1.5
Total	9.9	-3.7	6.2

31 December 2023

EUR million	Gross amount	Expected credit loss	Carrying amount
Aging structure of accounts receivable			
Not due and less than one month overdue	4.6	-0.7	3.9
1 to 6 months overdue	2.1	-0.6	1.5
More than 6 months overdue	2.1	-1.2	0.9
Total	8.8	-2.5	6.3

SATO recognises the allowance for bad debts for accounts receivable according to IFRS 9. For measurement of the impairment of accounts receivable, the Group applies the simplified approach allowed by the standard, whereby it makes an assessment of the lifetime expected credit losses for its accounts receivable at each reporting date, and based on this assessment, recognises the impairment through profit and loss. The recorded allowance for bad debts amounted to EUR 3.7 million (2.5) at the end of the period.

EUR million	Note	31 Dec 2024	31 Dec 2023
Specification of prepaid expenses and accrued income			
Share issue receivables	24	-	113.0
Prepaid expenses and accrued income related to rental services		0.3	1.0
Prepaid expenses and accrued income related to new constructions		0.0	0.0
Prepayments		0.7	0.7
Interest receivables		4.0	4.7
Derivative assets	26	0.6	0.4
Other		0.0	0.0
Total		5.7	119.8

23. CASH AND CASH EQUIVALENTS

EUR million	Note	31 Dec 2024	31 Dec 2023
Cash and cash equivalents	18	31.3	7.0
Total		31.3	7.0

The cash assets of group companies subject to non-profit restrictions are kept separately from other companies' cash assets. At the reporting date, such restricted companies' cash assets totalled EUR 0.1 million (1.6).

24. SHAREHOLDERS' EQUITY

EUR million	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
The following dividend and repayment of capital were declared and paid during the period:		
Dividends, EUR 0.00 (0.00) per share	0.0	0.0
Total	0.0	0.0

No capital repayments were made by SATO in 2024 or 2023.

Description of items in shareholders' equity:

Shares and share capital

As at 31 December 2024, the share capital of SATO Corporation totalled EUR 4,442,192, fully paid and divided to 85,062,444 shares. The number of own shares held by the company at the reporting date was 166,000. SATO has one class of shares, each of which entitles to one vote at the Annual General Meeting. The shares do not have a nominal value.

The share issue begun in late 2023 ended in February and SATO raised some EUR 200 million in gross proceeds from the issue. The number of company shares rose by 28,279,377 due to the share issue, from 56,783,067 shares to 85,062,444 shares.

On 21 March 2024, the General Meeting authorised the Board of Directors to decide on a share issue. The number of shares issued based on the authorisation cannot exceed 8,517,460 shares. The authorization is valid until the end of the next Annual General Meeting, but in any case, no later than 30 June 2025, and revokes the authorization granted by the Extraordinary General Meeting on 11 December 2023. The Board of Directors has not decided on a share issue under the authorization by 31 December 2024.

Reserve fund

Reserve fund includes share premium fund.

Fair value reserves

Fair value reserves include change in fair value of financial instruments used in cash flow hedge accounting and fair valuation of available-for-sale financial assets.

Reserve for invested non-restricted equity

Reserve for invested non-restricted equity includes other equity investments and the subscription price of shares, to the extent that it is not recorded in share capital.

Dividends

After the balance sheet date 31 December 2024, the Board of Directors has proposed dividend distribution of EUR 0.00 per share (0.00).

Restrictions concerning SATO's shareholders' equity

SATO's retained earnings at the end of the period, EUR 2,225.2 million (2,141.0), included distribution-restricted capital totalling EUR 158.2 million (134.4) attributable to subsidised, non-profit businesses. The figure includes the share of the change in the fair value reported in the income statement. Part of the Group companies are under statutory, non-profit restrictions according to which a company is allowed to distribute only a regulated amount of capital.

Management of capital structure

The aim of SATO's management of capital structure is to support the growth targets and to secure the ability to pay dividend. Another aim is to ensure SATO's prospects of operating in the equity market. SATO's targeted equity ratio measured at fair value is at least 40%. At the end of the period, SATO's equity ratio measured at fair value was 51.4% (47.9). The Board of Directors reviews and assesses SATO's capital structure regularly.

Some of SATO's interest-bearing financial agreements include covenants relating to capital structure and profitability (see note 29). SATO complied with the capital structure and profitability covenants during the reporting period.

25. FINANCIAL LIABILITIES

EUR million	31 Dec 2024	31 Dec 2023
Non-current		
Corporate bonds	571.8	398.6
Bank loans	1,043.3	1,013.2
Interest-subsidised loans	77.2	83.4
State-subsidised ARAVA loans	16.7	21.2
Total	1,709.0	1,516.3
Current		
Corporate bonds	-	350.0
Bank loans	226.7	207.4
Interest-subsidised loans	6.2	6.2
State-subsidised ARAVA loans	4.3	4.4
Commercial papers	23.9	74.9
Total	261.1	642.9
Total	1,970.1	2,159.2

During the reporting period, a total of EUR 800.0 million (255.0) of new long-term debt was drawn. At the reporting date, the average interest on the SATO debt portfolio was 3.7% (3.4) and the average maturity was 3.8 years (2.8).

For purposes of short-term financing, SATO has a commercial paper programme of EUR 400.0 million (400.0), of which EUR 375.0 million (324.0) were unused, committed credit limits of EUR 600.0 million (600.0), of which EUR 600.0 million (430.0) were unused, and a non-committed current overdraft limit of EUR 5.0 million (5.0), of which EUR 5.0 million (5.0) were unused.

Corporate bonds include the following bonds issued by SATO Corporation: EUR 300.0 million unsecured bond maturing on 24 February 2028 and carrying a fixed annual coupon of 1.375% and EUR 300.0 million unsecured bond maturing on 12 June 2030 and carrying a fixed annual coupon of 2.450%. The bonds are listed on the Irish Stock Exchange and have a public BBB credit rating from Standard & Poor's.

26. DERIVATIVES

Fair values of derivative instruments

EUR million	Positive	Negative	31 Dec 2024 Net	Positive	Negative	31 Dec 2023 Net
Non-current						
Interest rate swaps, cash flow hedge	14.4	-0.6	13.8	21.8	-0.1	21.7
Interest rate swaps, not in hedge accounting	0.8	-	0.8	1.2	-	1.2
Total	15.2	-0.6	14.6	23.0	-0.1	22.9
Current						
Interest rate swaps, cash flow hedge	0.6	-	0.6	0.4	-	0.4
Interest rate swaps, not in hedge accounting	-	-	-	-	-	-
Total	0.6	-	0.6	0.4	-	0.4
Total	15.8	-0.6	15.2	23.4	-0.1	23.3
EUR million				31 Dec 2024		31 Dec 2023
Nominal values of derivative instruments						
Interest rate swaps, cash flow hedge				408.0		430.3
Interest rate swaps, not in hedge accounting				50.0		50.0
Total				458.0		480.3

Change in fair value of designated interest rate hedges, booked to hedge reserve in other comprehensive income, totalled EUR -6.2 million (-13.4). Interest rate swaps are used to hedge interest cash flows against fluctuation in market interest rates. SATO also hedges the interest rate risk with forward start swaps. On the reporting date, the forward start swaps amounted to EUR 0.0 million (0.0) in nominal value. Interest rate hedges have maturities ranging mainly between 1–10 years. Typically netting agreements are applied to derivative contracts, however, the contracts are represented in gross value in financial statements. The method of presentation has no significant impact on figures on reporting or comparative period.

27. PROVISIONS

EUR million	2024	2023
Provision for refund claims, 1 Jan	2.0	2.0
Increases	0.0	0.2
Provisions used	0.0	-0.2
Reversals	-0.1	-0.1
Provision for refund claims, 31 Dec	1.9	2.0
EUR million	31 Dec 2024	31 Dec 2023
Non-current provisions	1.4	1.5
Current provisions	0.5	0.5
Total	1.9	2.0

The provision for refund claims includes guarantees related to new construction business and a 10-year warranty period after completion of the work. The provision for refund claims is measured based on previous claims and an assessment of previous experience. The provision for refund claims will be used, if applicable, within 10 years from the reporting date. SATO has no other provisions on 31 December 2024.

28. ACCOUNTS PAYABLE AND OTHER LIABILITIES

EUR million	Note	31 Dec 2024	31 Dec 2023
Accounts payable and other liabilities			
Advances received		8.3	8.9
Accounts payable	18	7.8	4.4
Other liabilities		1.4	1.6
Accrued expenses and prepaid income		36.6	43.7
Total		54.0	58.6
EUR million		31 Dec 2024	31 Dec 2023
Accrued expenses and prepaid income			
Personnel expenses		5.6	5.2
Interest expenses		16.4	16.4
Accrued expenses and prepaid income related to new constructions		2.6	2.8
Accrued expenses and prepaid income related to rental services		9.6	13.2
Other accrued expenses		2.4	5.6
Other		0.1	0.4
Total		36.6	43.7

29. FINANCIAL RISK MANAGEMENT

The goal of SATO's financial risk management is to protect the company from unfavourable changes occurring in the financial markets. The main principles of financing and financial risk management are set out in the Treasury Policy, approved by the Board of Directors. SATO Treasury is responsible for the management of financial risks in accordance with the Treasury Policy. SATO Treasury reports to the CFO, who is responsible for organising and managing the duties associated with the financing and financial risk management, as well as ensuring compliance with the principles set in the Treasury Policy.

Interest rate risk

The most significant of SATO market risks is the impact of market interest rate fluctuation on interest cash flows. To manage interest rate risk, the proportions of fixed and floating rate instruments are balanced in such a way that the risk of a rise in interest expenses is on an acceptable level and liquidity is secured. Interest rate risk is primarily attributable to market-based loans, but the interest rate risk of other types of financial liabilities is also monitored.

Market-based loans are primarily drawn at floating rates. In accordance with the Treasury Policy, the interest rate risk arising from these contracts is hedged using derivative instruments, mainly interest rate swaps and options, so that when hedging is applied, the fixed rate portion exceeds 60.0% of the nominal value of the total loan portfolio. At 31 December 2024, the fixed rate portion of the loan portfolio after hedging was 63.0% (66.3) excluding short-term loans and the average maturity was 3.8 years (2.8).

SATO uses interest rate derivatives to hedge against changes in the future interest payment cash flows of long-term loans. Cash flow hedge accounting according to the IFRS 9 standard is applied to the majority of derivatives. No ineffectiveness has occurred, as the hedged items and the hedging instruments have the same interest periods. The effect of changes in market interest rates on net financial expenses is examined in the "sensitivity analysis" table below. Derivative instruments for which the conditions for applying hedge accounting are not met, or SATO has decided not to apply hedge accounting, are included in financial assets or liabilities measured at fair value through profit and loss.

Changes in market interest rates affect interest expense on interest-subsidised loans. However, in interest-subsidised loans, a subsidy is received for the part exceeding the deductible rate, so the risk of increases in interest rates for interest-subsidised loans are considerably lower than for market-based loans. The deductible rate on interest-subsidised loans varies between 2.75% to 3.50% and on the so-called interim model interest-subsidy loans, funded in years 2009 to 2011, is 3.40%. A major part of the interest-subsidised loans is tied to long reference rates, ranging from 3 to 10 years. Due to the subsidies and long reference rates, the interest rate risk on these loans is not material.

In operations financed with state subsidies, rents are based on absorption cost, and hence any interest risk can be transferred to the rents. The interest on state-subsidised ARAVA loans is pegged to changes in Finnish consumer prices. The ARAVA rate is fixed in advance for the following financial period and hence there is no uncertainty of the following period interest expense. Some state-subsidised loans have an interest rate cap, the level of which is based on the interest rate of government 10-year bonds. A risk in state-subsidised ARAVA loans is a substantial increase in interest, which would be difficult to transfer in its entirety to rents without delay.

Currency risk

At present, SATO has no business-related currency risks or currency loans.

Price risk

At present, SATO has no items which might be subject to a significant price risk.

Credit risk

SATO is not exposed to significant concentrations of credit risk. The majority of SATO's accounts receivable consists of rent receivables. SATO has over 24,000 rental agreements, so the risk entailed in a single receivable is insignificant. The use of security deposit decreases the credit risk associated with rent receivables. SATO's actual credit losses have averaged the equivalent of 1.0% (0.9) of rental income. In addition, treasury functions, such as liquidity investments and derivative instruments, involve a counterparty risk, which is reduced by careful selection of counterparties and by diversification of contracts among a number of counterparties.

Liquidity risk

The Group constantly monitors the amount of financing demanded for business operations so that the adequacy of financing will be assured in all circumstances. The cash flow of operative business is steady and fluctuation mainly arise from investment activities.

Liquidity is managed with the commercial paper programme of EUR 400.0 million (400.0), committed credit limits EUR 600.0 million (600.0), and non-committed credit limits, EUR 5.0 million (5.0). At 31 December 2024, the commercial papers issued amounted to EUR 25.0 million (76.0) in nominal value. The credit facilities in use were EUR 0.0 million (170.0). In liquidity management, it is taken into account that the assets of Group companies subject to non-profit restrictions due to interest subsidies or state-subsidised ARAVA loans, are kept separately and allocated to those non-profit operations.

Standard & Poor's has assigned SATO with BBB credit rating with a stable outlook. With the investment grade credit rating, SATO aims to widen the investor base and to further limit dependency on any single financing counterparties.

SATO's funding agreements contain covenant clauses relating to the Group's capital structure and interest payment capacity. These clauses set a ratio of unencumbered assets to total assets at least 42.5%, a solvency ratio maximum of 65.0%, a secured solvency ratio maximum of 45.0%, an interest coverage ratio of at least 1.8 and unencumbered assets to unsecured debt at least 150.0%. At the reporting date, the ratio of unencumbered assets was 73.0% (87.7), the solvency ratio was 38.6% (42.4), the secured solvency ratio was 12.1% (6.2), the interest coverage ratio was 2.2 (2.9) and the ratio of unencumbered assets to unsecured debt was 264.9% (241.2).

Sensitivity analysis, interest rate risk

EUR million	31 Dec 2024				31 Dec 2023			
	Profit and Loss		Equity		Profit and Loss		Equity	
	1.0%	-1.0%	1.0%	-1.0%	1.0%	-1.0%	1.0%	-1.0%
Floating rate loans	-8.3	8.3	-	-	-9.5	9.5	-	-
Interest rate swaps	2.4	-2.4	11.4	-12.3	2.6	-2.6	13.0	-14.1
Total impact	-5.9	5.9	11.4	-12.3	-6.9	7.0	13.0	-14.1

Maturity analysis on financial instruments

31 December 2024

EUR million	Within 1 year	2-5 years	6-10 years	11-15 years	After 15 years	Total
Financial liabilities						
Market-based loans	-312.3	-1,272.4	-412.2	-152.4	-5.8	-2,155.2
Interest-subsidised loans	-9.2	-32.6	-45.9	-11.8	-0.6	-100.1
State-subsidised ARAVA loans	-4.6	-13.5	-2.7	-	-	-20.8
Accounts payable	-7.8	-	-	-	-	-7.8
Total	-334.0	-1,318.6	-460.8	-164.2	-6.4	-2,283.9
Derivative contracts						
Interest rate derivatives	6.6	14.1	3.7	3.3	0.7	28.4
Total	6.6	14.1	3.7	3.3	0.7	28.4
Lease liabilities						
From land lease agreements	-4.4	-17.6	-21.6	-20.4	-66.6	-130.7
From other lease agreements, office premises	-1.2	-2.5	-	-	-	-3.7
From other lease agreements, cars	-0.2	-0.8	-	-	-	-1.0
Total	-5.9	-20.9	-21.6	-20.4	-66.6	-135.4
Maturity analysis on financial instruments total	-333.3	-1,325.3	-478.8	-181.3	-72.3	-2,391.0

31 December 2023

EUR million	Within 1 year	2-5 years	6-10 years	11-15 years	After 15 years	Total
Financial liabilities						
Market-based loans	-702.3	-1,306.7	-197.7	-23.1	-8.3	-2,238.1
Interest-subsidised loans	-10.2	-33.4	-47.3	-18.1	-1.1	-110.0
State-subsidised ARAVA loans	-4.6	-17.0	-3.3	-0.1	-	-25.0
Accounts payable	-4.4	-	-	-	-	-4.4
Total	-721.5	-1,357.1	-248.3	-41.3	-9.4	-2,377.5
Derivative contracts						
Interest rate derivatives	11.4	20.9	8.1	4.2	1.7	46.3
Total	11.4	20.9	8.1	4.2	1.7	46.3
Lease liabilities						
From land lease agreements	-4.2	-16.6	-20.5	-19.7	-68.7	-129.7
From other lease agreements, office premises	-1.3	-3.5	-	-	-	-4.8
From other lease agreements, cars	-	-	-	-	-	-
Total	-5.4	-20.1	-20.5	-19.7	-68.7	-134.5
Maturity analysis on financial instruments total	-715.5	-1,356.3	-260.6	-56.8	-76.4	-2,465.7

The above figures represent contractual, non-discounted cash flows, including interest payments.

30. NOTES TO THE CASH FLOW STATEMENT

EUR million	Note	31 Dec 2024	31 Dec 2023
Non-cash items included in the profit			
Depreciation and amortisation	8	4.5	4.1
Gains and losses from changes in fair value of investment properties	13	-12.0	249.3
Change in provisions	27	-0.1	0.0
Share of profit of associated companies and joint ventures		0.0	0.0
Total		-7.6	253.3
EUR million			
Changes in interest-bearing debt during the period			
Interest-bearing debt, 1 Jan		2,159.2	2,145.7
Cash changes in interest-bearing debt during the period, total		-196.0	12.9
Non-cash changes:			
Interest accrued by the effective interest rate method		3.8	2.3
Transfers of debt to buyers upon disposals of investment property and other adjustments		3.1	-1.6
Interest-bearing debt, 31 Dec		1,970.1	2,159.2

31. COLLATERAL, COMMITMENTS AND CONTINGENCIES

EUR million	31 Dec 2024	31 Dec 2023
Mortgages and pledges for secured borrowings		
Secured borrowings	604.5	313.1
Pledges and mortgages provided, fair value	1,365.2	625.8
Guarantees for others		
Rs-guarantees	1.9	1.9
Other collateral provided		
Mortgages provided to secure payment of rent and street maintenance	7.2	7.1
Guarantees and mortgages provided to secure payments of land use contracts	0.4	1.1
Binding purchase agreements		
For acquisitions of investment properties	1.3	16.2
Pledges for land use payments on zoned plots	0.2	0.6
Letters of intent on properties under development for which there is a zoning or other condition	41.1	74.4

32. RELATED PARTY TRANSACTIONS

SATO Group's related party consists of SATO Corporation, its parent company, sister companies, subsidiaries, joint ventures and associated companies. SATO's related party includes shareholders that have direct or indirect control or joint control or significant influence or is a member of the key management personnel of the reporting entity or of a parent of the reporting entity or is a close family member of the key management personnel. Shareholders whose holding is 20% or more are automatically considered as a related party of SATO. When ownership is below 20% shareholders are considered as a related party when they have considerable influence of the reporting entity, for example through a position in the Board of Directors.

Shareholders that are considered as SATO's related party in 2024 are Balder Finska Otas AB, other Balder-group companies (parent company: Fastighets AB Balder), Erik Selin Fastigheter AB, Stichting Depositary APG Strategic Real Estate Pool together with its parent company and asset manager (parent company: Stichting Pensioenfonds ABP, >95%; asset manager: APG Asset Management NV) and Elo Mutual Pension Insurance Company.

The members of the Board of Directors of SATO Corporation, the CEO and other members of the Extended Corporate Management Group and their close family members and the entities controlled or jointly controlled by them and joint venture SV-Asunnot Oy are considered as SATO's related party. The Extended Corporate Management Group comprises of SATO Corporation's President and CEO; EVP, Investments; Commercial Director; Chief Financial Officer; EVP, Housing Business; Chief Digital Officer; VP, Human Resources; Director, Business Development; and VP, General Counsel.

On 28 March 2024, SATO Corporation has received an unsecured revolving credit facility from Fastighets AB Balder in the amount of EUR 350.0 million, with the maturity at 31 March 2027. No withdrawals from the facility were made during the period.

The terms and conditions used in the related party transactions are equivalent to the terms used in transactions between independent parties.

EUR million	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Extended Management Group employee benefits		
Salaries and other short-term employee benefits	1.8	2.1
Total	1.8	2.1

EUR thousands	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Compensation paid to the members of the Board of Directors and the President & CEO		
Managing Director	329.9	369.1
Erik Selin	45.0	44.8
Esa Lager	29.5	29.7
Tarja Pääkkönen	26.5	26.7
Timo Stenius	25.5	25.7
Johannus (Hans) Spikker (till 21 March 2024)	7.2	25.7
Ming Eng (as of 21 March 2024)	18.2	-
Sharam Rahi	25.0	24.7
Total	506.9	546.3

Incentive schemes

Persons employed by SATO Group are not paid separate remuneration when serving as a member of the Board of Directors or as a President of a Group company. The members of SATO's Corporate Management Group and SATO's other management are covered by an annual incentive scheme based on the SATOs profit and fulfilment of the targets for their respective area of responsibility.

In addition to the members of the Corporate Management Group, the incentive scheme covers around 25 SATO employees in executive, managerial and expert roles. The terms and conditions of the incentive scheme and the payment of performance bonuses are approved by the Board of Directors. The aim of the incentive scheme is to harmonize the objectives of shareholders, management and key persons, bolster the commitment of key persons, improve competitiveness and promote long-term financial success.

33. BORROWING COSTS

	Note	31 Dec 2024	31 Dec 2023
Capitalised expenses of borrowing costs during the period, EUR million	13	1.3	1.8
Financial expense index, %		3.7	2.0

34. SUBSEQUENT EVENTS

No significant events after the end of the reporting period.

35. SUBSIDIARIES OWNED BY THE GROUP AND PARENT COMPANY

31 Dec 2024	Group's holding, %	Parent company's holding, %
Holding percentages are the same as voting rights.		
Subsidiaries held by SATO Corporation		
Sato-Asunnot Oy	100.0	100.0
Sato-Rakennuttajat Oy	100.0	100.0
Sato-JoustoKoti Oy	100.0	100.0
Sato-Hallintopalvelut Oy	100.0	100.0
Sato-Palvelut Oy	100.0	100.0
Sato-Pysäköinti Oy	100.0	100.0
SATOkoti Oy	100.0	100.0
SATOkoti 23 Oy	100.0	100.0
SATOkoti 24 Oy	100.0	100.0
Suomen Satokodit 24 Oy	100.0	100.0
Vatrotalot 5 Oy	100.0	100.0
Uusi Sarfvik Oy	60.0	18.3
Sarfvikin Vesialue Oy	60.0	18.3
Joint ventures and associated companies		
SV-Asunnot Oy	50.0	50.0
Other shares		
Asunto Oy Kirkkonummen Sarvvikintie 4	100.0	18.3
Keskus-Sato Oy	100.0	100.0
Kiinteistö Oy Espoon Aallonrivi	100.0	100.0
Kiinteistö Oy Kirkkonummen Sarvikinportti	60.0	6.8
Kiinteistö Oy Kunnankero	100.0	100.0
Kiinteistö Oy Outakessa	100.0	100.0
Kiinteistö Oy Vantaan Sato-Kartano	100.0	100.0
Companies held by subsidiaries		
Sato-Asunnot Oy		
As Oy Espoon Suvikäytävä	29.9	29.9
As Oy Kuhakartano	0.7	0.7
As Oy Tampereen Hervantjärven Koroneiki	4.9	4.9

31 Dec 2024	Group's holding, %	Parent company's holding, %
As Oy Tampereen Kuikankatu 2	9.7	9.7
As. Oy Kotipiennar	2.8	2.8
As. Oy Matinraitti 14	1.0	1.0
As. Oy Näkinkuja 2	2.5	2.5
As. Oy Näsinlaine	1.0	1.0
As. Oy Peltokuhta	1.2	1.2
As. Oy Turun Tallgreninkartano	23.7	23.7
As. Oy Urheilukatu 38	56.0	56.0
As. Oy Valtapolku	1.2	1.2
Asunto - Oy 4 linja 24	33.6	33.6
Asunto O.Y. Kasarmikatu 14 - Bostads A.B. Kasärngatan 14	12.2	12.2
Asunto O.Y. Linjala 14	4.2	4.2
Asunto O/Y Pihlajatie N:o 23	3.0	3.0
Asunto Oy Agricolankuja 3	3.0	3.0
Asunto Oy Agricolankuja 8	82.3	82.3
Asunto Oy Agricolankulma	0.8	0.8
Asunto Oy Albertus	1.1	1.1
Asunto Oy Erkintalo	1.1	1.1
Asunto Oy Espoon Hassel	4.4	4.4
Asunto Oy Espoon Honkavaarantie 5	10.3	10.3
Asunto Oy Espoon Interior	11.4	11.4
Asunto Oy Espoon Kaupinkalliontie 5	47.8	47.8
Asunto Oy Espoon Kivenhakkaajankuja 3	2.3	2.3
Asunto Oy Espoon Kuunkierros 2	9.3	9.3
Asunto Oy Espoon Myötätuulenmäki	8.5	8.5
Asunto Oy Espoon Niittyhuippu	28.1	28.1
Asunto Oy Espoon Nostoväenkuja 1	3.8	3.8
Asunto Oy Espoon Numersinkatu 11	18.8	18.8
Asunto Oy Espoon Numersinkatu 6	15.2	15.2
Asunto Oy Espoon Omenapuu	16.0	16.0
Asunto Oy Espoon Paratiisiomena	18.3	18.3
Asunto Oy Espoon Puropuisto	58.4	58.4
Asunto Oy Espoon Rastaspuiostonpolku	22.6	22.6
Asunto Oy Espoon Rastaspuioston tie 8	7.3	7.3
Asunto Oy Espoon Ristinientie 22	8.2	8.2

31 Dec 2024	Group's holding, %	Parent company's holding, %
Asunto Oy Espoon Ruorikuja 4	3.8	3.8
Asunto Oy Espoon Satokallio	11.6	11.6
Asunto Oy Espoon Saunalyhty	6.8	6.8
Asunto Oy Espoon Sokerilinnantie 1	5.8	5.8
Asunto Oy Espoon Säterinkatu 10	17.4	17.4
Asunto Oy Espoon Vanharaide	90.1	90.1
Asunto Oy Espoon Vasaratörmä	5.2	5.2
Asunto Oy Espoon Yläkartanonpiha	10.9	10.9
Asunto Oy Espoon Zanseninkuja 4	29.9	29.9
Asunto Oy Haagan Pappilantie 13	2.6	2.6
Asunto Oy Hakaniemenranta	2.5	2.5
Asunto Oy Hannanpiha	19.1	19.1
Asunto Oy Harjulehmus	7.1	7.1
Asunto Oy Helkalax	1.3	1.3
Asunto Oy Helsingin Akaasia	13.9	13.9
Asunto Oy Helsingin Apollonkatu 19	38.2	38.2
Asunto Oy Helsingin Arabian Kotiranta	4.2	4.2
Asunto Oy Helsingin Arabiankatu 3	13.4	13.4
Asunto Oy Helsingin Casa Canal	13.3	13.3
Asunto Oy Helsingin Cirrus	1.7	1.7
Asunto Oy Helsingin Corona	17.0	17.0
Asunto Oy Helsingin Eiranrannan Estella	30.8	30.8
Asunto Oy Helsingin Eliel Saarisen Tie 10	96.1	96.1
Asunto Oy Helsingin Finniläntalo	80.2	80.2
Asunto Oy Helsingin Follow	0.0	0.0
Asunto Oy Helsingin Gerbera	12.7	12.7
Asunto Oy Helsingin Graniittikallio	12.8	12.8
Asunto Oy Helsingin Happiness	22.2	22.2
Asunto Oy Helsingin Hildankulma	80.1	80.1
Asunto Oy Helsingin Isopurje	3.2	3.2
Asunto Oy Helsingin Kaivonkatsojantie 2	16.4	16.4
Asunto Oy Helsingin Kalevankatu 53	6.6	6.6
Asunto Oy Helsingin Kalliolinna	0.8	0.8
Asunto Oy Helsingin Kanavaranta	8.8	8.8
Asunto Oy Helsingin Kerttulinkuja 1	7.5	7.5
Asunto Oy Helsingin Kokkosaarenkatu 4	20.8	20.8

31 Dec 2024	Group's holding, %	Parent company's holding, %
Asunto Oy Helsingin Koralli	4.1	4.1
Asunto Oy Helsingin Koroistentie	9.4	9.4
Asunto Oy Helsingin Kultareuna 1	39.0	39.0
Asunto Oy Helsingin Kuusihovi	25.4	25.4
Asunto Oy Helsingin Kyläkirkontie 13	68.5	68.5
Asunto Oy Helsingin Köysikuja 2	9.5	9.5
Asunto Oy Helsingin Laivalahdenkaari 1	85.4	85.4
Asunto Oy Helsingin Leikopiha	9.6	9.6
Asunto Oy Helsingin Leikosaarentie 31	18.7	18.7
Asunto Oy Helsingin Leikovuori	9.1	9.1
Asunto Oy Helsingin Lönnrotinkatu 32	55.1	55.1
Asunto Oy Helsingin Mariankatu 19	1.0	1.0
Asunto Oy Helsingin Merenkävijä	5.1	5.1
Asunto Oy Helsingin Minna Canthinkatu 24	1.1	1.1
Asunto Oy Helsingin Mustankivenraitti 5	94.6	94.6
Asunto Oy Helsingin Myllypellonpolku 4	2.2	2.2
Asunto Oy Helsingin Mylläri	2.3	2.3
Asunto Oy Helsingin Nautilus	26.0	26.0
Asunto Oy Helsingin Nukkeruusunkuja 3	15.5	15.5
Asunto Oy Helsingin Pasilantornit	52.1	52.1
Asunto Oy Helsingin Pasuunatie 8	2.2	2.2
Asunto Oy Helsingin Perustie 16	56.1	56.1
Asunto Oy Helsingin Pirta	17.1	17.1
Asunto Oy Helsingin Porthaninkatu 4	0.7	0.7
Asunto Oy Helsingin Pumpputehdas	0.5	0.5
Asunto Oy Helsingin Puuskarinne 1	98.2	98.2
Asunto Oy Helsingin Päivöläntie 72	7.7	7.7
Asunto Oy Helsingin Rautahepo	100.0	100.0
Asunto Oy Helsingin Reginankuja 4	11.8	11.8
Asunto Oy Helsingin Rosas	9.6	9.6
Asunto Oy Helsingin Ruusutarhantie 2-4	30.7	30.7
Asunto Oy Helsingin Satoaalto	8.6	8.6
Asunto Oy Helsingin Satorinne	8.5	8.5
Asunto Oy Helsingin Serica	3.8	3.8
Asunto Oy Helsingin Solarus	5.9	5.9
Asunto Oy Helsingin Solnantie 22	98.0	98.0

31 Dec 2024	Group's holding, %	Parent company's holding, %
Asunto Oy Helsingin Ståhlbergintie 4	93.5	93.5
Asunto Oy Helsingin Sumppari	0.9	0.9
Asunto Oy Helsingin Tapaninkulo	4.7	4.7
Asunto Oy Helsingin Tila	24.5	24.5
Asunto Oy Helsingin Topeliuksenkatu 29	4.6	4.6
Asunto Oy Helsingin Tunturinlinna	9.5	9.5
Asunto Oy Helsingin Töölön Oscar	25.3	25.3
Asunto Oy Helsingin Vanha Viertotie 16	68.8	68.8
Asunto Oy Helsingin Vanha Viertotie 18	42.8	42.8
Asunto Oy Helsingin Vanhanlinnantie 10	6.4	6.4
Asunto Oy Helsingin Vaskiseppä	4.7	4.7
Asunto Oy Helsingin Villa Kuohu	25.6	25.6
Asunto Oy Hervannan Juhani	14.9	14.9
Asunto Oy Hiihtomäentie 34	3.7	3.7
Asunto Oy Humalniementie 3-5	1.1	1.1
Asunto Oy Iidesranta 42 Tampere	9.9	9.9
Asunto Oy Jukolanniitty	7.7	7.7
Asunto Oy Jussinhoivi	3.5	3.5
Asunto Oy Järvenpään Alhonrinne	18.4	18.4
Asunto Oy Kaarinan Katariinankallio	35.8	35.8
Asunto Oy Kaarinan Kiurunpuisto	48.1	48.1
Asunto Oy Kaarinan Kultarinta	39.8	39.8
Asunto Oy Kaarinan Mattelpiha	49.5	49.5
Asunto Oy Kaarinan Verkapatruuna	3.7	3.7
Asunto Oy Kalasataman Fregatti, Helsinki	25.3	25.3
Asunto Oy Kasarminkatu 10	26.7	26.7
Asunto Oy Kaukotie 10-12	3.1	3.1
Asunto Oy Kauniaisten Ersintie 9-11	5.5	5.5
Asunto Oy Kauniaisten Konsuli Bostads Ab	7.4	7.4
Asunto Oy Ketturinne	1.3	1.3
Asunto Oy Kirkkosalmentie 3	0.9	0.9
Asunto Oy Kivisaarentie	2.7	2.7
Asunto Oy Kolehmaisentori	5.5	5.5
Asunto Oy Kulmavuorenrinne	1.0	1.0
Asunto Oy Kupittaaan Kotka, Turku	10.9	10.9
Asunto Oy Kupittaaan Kurki, Turku	6.1	6.1

31 Dec 2024	Group's holding, %	Parent company's holding, %
Asunto Oy Kupittaaan Peippo, Turku	34.6	34.6
Asunto Oy Kupittaaan Satakieli, Turku	6.1	6.1
Asunto Oy Kuuselanpuisto	23.0	23.0
Asunto Oy Kuusihalme	2.3	2.3
Asunto Oy Kuusitie 15	1.5	1.5
Asunto Oy Kuusitie 3	1.8	1.8
Asunto Oy Lapinniemen Pallopurje	1.9	1.9
Asunto Oy Lapintalo	1.0	1.0
Asunto Oy Lappeenrannan Kanavansato 2	5.7	5.7
Asunto Oy Lauttasaarentie 11	1.6	1.6
Asunto Oy Lielahdentie 10	9.1	9.1
Asunto Oy Läntinen Brahenkatu 8	0.8	0.8
Asunto Oy Mannerheimintie 108	3.0	3.0
Asunto Oy Mannerheimintie 148	2.5	2.5
Asunto Oy Mannerheimintie 77	1.2	1.2
Asunto Oy Mannerheimintie 83-85	0.7	0.7
Asunto Oy Mannerheimintie 93	0.3	0.3
Asunto Oy Mellunsusi	1.5	1.5
Asunto Oy Messeniuksenkatu 8	2.0	2.0
Asunto Oy Messilä	70.0	70.0
Asunto Oy Muotialantie 31	7.0	7.0
Asunto Oy Myllysalama	59.8	59.8
Asunto Oy Naantalin Kastovuorenrinne	16.7	16.7
Asunto Oy Neulapadontie 4	1.2	1.2
Asunto Oy Nokian Miharintie 38-40	13.1	13.1
Asunto Oy Nordenskiöldinkatu 8	2.5	2.5
Asunto Oy Näyttelijäntien Pistetalot	1.4	1.4
Asunto Oy Oskelantie 5	4.1	4.1
Asunto Oy Oskelantie 8	2.1	2.1
Asunto Oy Otavantie 4	1.8	1.8
Asunto Oy Pengerkatu 27	2.6	2.6
Asunto Oy Pirkkalan Vanamo	8.0	8.0
Asunto Oy Pohjanpoika	8.0	8.0
Asunto Oy Poutuntie 2	3.7	3.7
Asunto Oy Puistokaari 13	1.9	1.9
Asunto Oy Raikurinne 1	1.3	1.3

31 Dec 2024	Group's holding, %	Parent company's holding, %
Asunto Oy Raision Tasontorni	39.3	39.3
Asunto Oy Raision Toripuisto	56.9	56.9
Asunto Oy Rantasentteri	1.5	1.5
Asunto Oy Risto Rytin Tie 28 Bostads Ab	1.5	1.5
Asunto Oy Ristolantie 7	2.5	2.5
Asunto Oy Riviuhkola	4.4	4.4
Asunto Oy Ryytikuja 5	0.8	0.8
Asunto Oy Saarenkeskus	0.4	0.4
Asunto Oy Salpakolmio	31.3	31.3
Asunto Oy Satakallio	0.2	0.2
Asunto Oy Satosorsa	19.9	19.9
Asunto Oy Savilankatu 1 b	33.3	33.3
Asunto Oy Solnantie 32	0.9	0.9
Asunto Oy Sompasaaren Priki	66.3	66.3
Asunto Oy Sulkapolku 6	0.4	0.4
Asunto Oy Säästökartano	0.3	0.3
Asunto Oy Taapuri	2.5	2.5
Asunto Oy Tallbergin Puistotie 1	2.0	2.0
Asunto Oy Tammitie 21	0.9	0.9
Asunto Oy Tampereen Charlotta	2.0	2.0
Asunto Oy Tampereen Haapalinnan Antintalo	66.7	66.7
Asunto Oy Tampereen Kanjoninkatu 15	56.3	56.3
Asunto Oy Tampereen Kokinpellonrinne 2	86.9	86.9
Asunto Oy Tampereen Kristiina	19.1	19.1
Asunto Oy Tampereen Kyläleni	93.2	93.2
Asunto Oy Tampereen Kyyhky	11.1	11.1
Asunto Oy Tampereen Rantatie 13 E-G	44.9	44.9
Asunto Oy Tampereen Rotkonraitti 6	48.2	48.2
Asunto Oy Tampereen Siirtolapuutarhankatu 12	5.6	5.6
Asunto Oy Tampereen Strada	46.6	46.6
Asunto Oy Tampereen Waltteri	23.9	23.9
Asunto Oy Tapiolan Itäkartano, Espoo	53.6	53.6
Asunto Oy Tapiolan Tuuliniitty Espoo	6.8	6.8
Asunto Oy Tarkkampusjankatu 14	44.1	44.1
Asunto Oy Tasatuomo	1.3	1.3
Asunto Oy Terhokuja 6	11.3	11.3

31 Dec 2024	Group's holding, %	Parent company's holding, %
Asunto Oy Turun Asemanlinna	20.9	20.9
Asunto Oy Turun Eteläranta II	3.2	3.2
Asunto Oy Turun Eteläranta III	2.9	2.9
Asunto Oy Turun Eteläranta IV	3.0	3.0
Asunto Oy Turun Fregatinranta	4.7	4.7
Asunto Oy Turun Förinranta II	1.0	1.0
Asunto Oy Turun Ipnoksenrinne	6.7	6.7
Asunto Oy Turun Kivimaanrivi	6.5	6.5
Asunto Oy Turun Linnanhuippu	1.1	1.1
Asunto Oy Turun Linnanpuisto	8.8	8.8
Asunto Oy Turun Merenneito	24.7	24.7
Asunto Oy Turun Meripoika	40.8	40.8
Asunto Oy Turun Mietoistenkuja	9.4	9.4
Asunto Oy Turun Pernon Kartanonlaakso	14.5	14.5
Asunto Oy Turun Puutarhakatu 50	13.1	13.1
Asunto Oy Turun Sipimetsä	8.5	8.5
Asunto Oy Turun Unikkoniitty	39.9	39.9
Asunto Oy Turuntie 112	1.4	1.4
Asunto Oy Turuntie 63	1.6	1.6
Asunto Oy Tuusulan Naavankierto 10	11.2	11.2
Asunto Oy Töölön Estradi, Helsinki	63.0	63.0
Asunto Oy Töölön Gaala	50.3	50.3
Asunto Oy Ulpukkaniemi	25.4	25.4
Asunto Oy Vaasankatu 15	0.8	0.8
Asunto Oy Vallinkyyhky	6.0	6.0
Asunto Oy Vantaan Albert Petreliuksen Katu 8	7.7	7.7
Asunto Oy Vantaan Kilterinpuisto	51.5	51.5
Asunto Oy Vantaan Kortteeri	6.4	6.4
Asunto Oy Vantaan Kärjäkuja 3	19.8	19.8
Asunto Oy Vantaan Maarinrinne	12.0	12.0
Asunto Oy Vantaan Maarukanrinne 6	14.6	14.6
Asunto Oy Vantaan Minkkikuja	49.0	49.0
Asunto Oy Vantaan Myyrin Tähti	6.8	6.8
Asunto Oy Vantaan Orvokkitie 17	14.3	14.3
Asunto Oy Vantaan Pakkalanrinne 3	41.8	41.8
Asunto Oy Vantaan Pakkalanruusu	3.1	3.1

31 Dec 2024	Group's holding, %	Parent company's holding, %
Asunto Oy Vantaan Raiviosuonmäki 7b	100.0	100.0
Asunto Oy Vantaan Ravurinmäki	33.2	33.2
Asunto Oy Vantaan Talvikkitie 38	96.1	96.1
Asunto Oy Vantaan Tammiston Tringa	8.3	8.3
Asunto Oy Vantaan Tammistonkatu 29	29.1	29.1
Asunto Oy Vantaan Tuurakuja 4	34.1	34.1
Asunto Oy Vantaan Tähtiö	33.2	33.2
Asunto Oy Vantaan Varikonaarre	3.3	3.3
Asunto Oy Vantaan Virtakuja 4	66.2	66.2
Asunto Oy Vaskivuorentie 12 Senioritalo Vantaa	1.2	1.2
Asunto Oy Viides Linja 16	1.1	1.1
Asunto Oy Viikinkisankari	31.1	31.1
Asunto Oy Vilhonvuorenkatu 8 - Bostads Ab Vilhelmsbergsgatan 8	1.1	1.1
Asunto Oy Vuomeren-Salpa	2.7	2.7
Asunto Oy Vuorastila	99.0	99.0
Asunto Oy Vuoreksen Vega, Tampere	83.8	83.8
Asunto Oy Vuosaaren Meripihka Helsinki	42.7	42.7
Asunto Oy Välkynkallio	0.8	0.8
Asunto-Osakeyhtiö Amos	0.5	0.5
Asunto-Osakeyhtiö Arabian Valo, Helsinki	52.2	52.2
Asunto-Osakeyhtiö Fredrikinkatu 38	2.7	2.7
Asunto-Osakeyhtiö Haagan Talontie 4	3.1	3.1
Asunto-Osakeyhtiö Kristianinkatu 2	1.7	1.7
Asunto-Osakeyhtiö Kulmakatu 12	2.1	2.1
Asunto-Osakeyhtiö Kuusitie 9	2.3	2.3
Asunto-Osakeyhtiö Merimiehenkatu 41 Bostadsaktiebolag	1.6	1.6
Asunto-Osakeyhtiö Minna Canthin Katu 22	2.4	2.4
Asunto-Osakeyhtiö Mursu	0.5	0.5
Asunto-Osakeyhtiö Nervanderinkatu 9	2.6	2.6
Asunto-Osakeyhtiö Otavantie 3	0.6	0.6
Asunto-Oy Laajalahdentie 26	6.5	6.5
Asunto-Oy Mannerheimintie 100	0.9	0.9
Asunto-Oy Mariankatu 21	1.3	1.3
Asunto-oy Turun Linnankatu 37 a	1.7	1.7
Asunto-Oy Ulvilantie 11 b	0.6	0.6
Asunto-Oy Vantaan Herttuantie 3	35.2	35.2

31 Dec 2024	Group's holding, %	Parent company's holding, %
Bostads Ab Björneborgsvägen 5	0.5	0.5
Bostads Ab Kajaneborg	7.3	7.3
Bostads Ab Kvarnhyddan	1.8	1.8
Bostads Ab Munksnäs N:o 25 Asunto Oy	14.1	14.1
Bostads Ab Spargäddan Asunto Oy	1.3	1.3
Bostadsaktiebolaget Lönegropen, Skidbacksvägen 18	1.6	1.6
Kiinteistö Oy Espoon Anna Sahlsténin katu 14	100.0	100.0
Kiinteistö Oy Espoon Anna Sahlsténin katu 7A	100.0	100.0
Kiinteistö Oy Espoon Elosalama	100.0	100.0
Kiinteistö Oy Espoon Heinjoenpolku	100.0	100.0
Kiinteistö Oy Espoon Henttaan puistokatu 6	100.0	100.0
Kiinteistö Oy Espoon Henttaan puistokatu 8	100.0	100.0
Kiinteistö Oy Espoon Hopeavillakko	100.0	100.0
Kiinteistö Oy Espoon Jousenkaari 5	100.0	100.0
Kiinteistö Oy Espoon Jousenkaari 7	100.0	100.0
Kiinteistö Oy Espoon Kala-Maija 4	100.0	100.0
Kiinteistö Oy Espoon Kappelirinne 4	100.0	100.0
Kiinteistö Oy Espoon Kaskenkaatajantie 5	100.0	100.0
Kiinteistö Oy Espoon Kaskivuoreнкуja 3	100.0	100.0
Kiinteistö Oy Espoon Kastevuoren Palvelutalo	100.0	100.0
Kiinteistö Oy Espoon Kilonkallionkuja 5	100.0	100.0
Kiinteistö Oy Espoon Kilvoituksentie 1	100.0	100.0
Kiinteistö Oy Espoon Kiskottajankuja 4	100.0	100.0
Kiinteistö Oy Espoon Kuunsirppi	100.0	100.0
Kiinteistö Oy Espoon Kyyhkysmäki 16	100.0	100.0
Kiinteistö Oy Espoon Kyyhkysmäki 9	100.0	100.0
Kiinteistö Oy Espoon Lansantie 3	100.0	100.0
Kiinteistö Oy Espoon Likusterikatu 1 D	100.0	100.0
Kiinteistö Oy Espoon Linnustajantie 17	100.0	100.0
Kiinteistö Oy Espoon Magneettikatu 8	100.0	100.0
Kiinteistö Oy Espoon Majurinkatu 3	100.0	100.0
Kiinteistö Oy Espoon Matinkylän Poutapilvi	100.0	100.0
Kiinteistö Oy Espoon Matinniitynkuja 8	100.0	100.0
Kiinteistö Oy Espoon Merituulentie 38	100.0	100.0
Kiinteistö Oy Espoon Nihtisillankuja 2 E-G	100.0	100.0
Kiinteistö Oy Espoon Niittymaantie 1	100.0	100.0

31 Dec 2024	Group's holding, %	Parent company's holding, %
Kiinteistö Oy Espoon Niittymaantie 3	100.0	100.0
Kiinteistö Oy Espoon Niittysillankulma 2 C-D	100.0	100.0
Kiinteistö Oy Espoon Perkkankuja 3	100.0	100.0
Kiinteistö Oy Espoon Porarinkatu 2 D - E	100.0	100.0
Kiinteistö Oy Espoon Porarinkatu 2 F	100.0	100.0
Kiinteistö Oy Espoon Puikkarinmäki	100.0	100.0
Kiinteistö Oy Espoon Pyhäjärventie 1	100.0	100.0
Kiinteistö Oy Espoon Rummunlyöjäkatu 11 D - E	100.0	100.0
Kiinteistö Oy Espoon Runoratsunkatu 15	100.0	100.0
Kiinteistö Oy Espoon Runoratsunkatu 5	100.0	100.0
Kiinteistö Oy Espoon Ruusulinna	100.0	100.0
Kiinteistö Oy Espoon Sepetlahdentie 6	100.0	100.0
Kiinteistö Oy Espoon Siniheinä	100.0	100.0
Kiinteistö Oy Espoon Soukankaari 11-13	100.0	100.0
Kiinteistö Oy Espoon Soukaniementie 1	100.0	100.0
Kiinteistö Oy Espoon Taivalmäki 5	100.0	100.0
Kiinteistö Oy Espoon Taivalrinne	100.0	100.0
Kiinteistö Oy Espoon Tähtimötie	100.0	100.0
Kiinteistö Oy Espoon Viherlaaksonranta 3-5	100.0	100.0
Kiinteistö Oy Espoon Viherlaaksonranta 7	100.0	100.0
Kiinteistö Oy Espoon Zanseninkuja 6	100.0	100.0
Kiinteistö Oy Helsingin Amiraalinkatu 2	100.0	100.0
Kiinteistö Oy Helsingin Ansaritie 1	100.0	100.0
Kiinteistö Oy Helsingin Ansaritie 2-4	100.0	100.0
Kiinteistö Oy Helsingin Ansaritie 3	100.0	100.0
Kiinteistö Oy Helsingin Arhotie 22	100.0	100.0
Kiinteistö Oy Helsingin Atlantinkatu 12	100.0	100.0
Kiinteistö Oy Helsingin Aurinkotuulenkatu 6	100.0	100.0
Kiinteistö Oy Helsingin Capellan puistotie 21	100.0	100.0
Kiinteistö Oy Helsingin Castreninkatu 3	100.0	100.0
Kiinteistö Oy Helsingin Eura III	100.0	100.0
Kiinteistö Oy Helsingin Gadolininkatu 1	100.0	100.0
Kiinteistö Oy Helsingin Graniittitie 8 ja 13	100.0	100.0
Kiinteistö Oy Helsingin Hakaniemenkatu 9	100.0	100.0
Kiinteistö Oy Helsingin Heikkiläntie 10	100.0	100.0
Kiinteistö Oy Helsingin Hämeenpenger	100.0	100.0

31 Dec 2024	Group's holding, %	Parent company's holding, %
Kiinteistö Oy Helsingin Ida Aalbergin Tie 3 A	100.0	100.0
Kiinteistö Oy Helsingin Ida Aalbergintie 1b	100.0	100.0
Kiinteistö Oy Helsingin Jokiniementie 46	100.0	100.0
Kiinteistö Oy Helsingin Jokiniementie 48	100.0	100.0
Kiinteistö Oy Helsingin Juhani Ahon Tie 12-14	100.0	100.0
Kiinteistö Oy Helsingin Junonkatu 4	100.0	100.0
Kiinteistö Oy Helsingin Kaarenjalka 5	100.0	100.0
Kiinteistö Oy Helsingin Kangaspellontie 1-5	100.0	100.0
Kiinteistö Oy Helsingin Kaustisenpolku 1	100.0	100.0
Kiinteistö Oy Helsingin Keinulaudantie 7	100.0	100.0
Kiinteistö Oy Helsingin Kiillekuja 4	100.0	100.0
Kiinteistö Oy Helsingin Kirjala	100.0	100.0
Kiinteistö Oy Helsingin Klaavuntie 8-10	100.0	100.0
Kiinteistö Oy Helsingin Koirasaarentie 45	100.0	100.0
Kiinteistö Oy Helsingin Koirasaarentie 47	100.0	100.0
Kiinteistö Oy Helsingin Korppaanmäentie 17	100.0	100.0
Kiinteistö Oy Helsingin Korppaanmäentie 21	100.0	100.0
Kiinteistö Oy Helsingin Kristianinkatu 11-13	100.0	100.0
Kiinteistö Oy Helsingin Kulmavuorenpiha	100.0	100.0
Kiinteistö Oy Helsingin Kutomotie 10a	75.0	75.0
Kiinteistö Oy Helsingin Kutomotie 12a	100.0	100.0
Kiinteistö Oy Helsingin Kutomotie 14 A	100.0	100.0
Kiinteistö Oy Helsingin Kutomotie 8a	100.0	100.0
Kiinteistö Oy Helsingin Lapponia	100.0	100.0
Kiinteistö Oy Helsingin Lauttasaarentie 19	58.3	58.3
Kiinteistö Oy Helsingin Leirikuja 3	100.0	100.0
Kiinteistö Oy Helsingin Lintulahdenpuisto	100.0	100.0
Kiinteistö Oy Helsingin Lontoonkatu 9	100.0	100.0
Kiinteistö Oy Helsingin Maakaarenkuja 2A	100.0	100.0
Kiinteistö Oy Helsingin Maakaarenkujan Pysäköinti	100.0	100.0
Kiinteistö Oy Helsingin Malagankatu 7	100.0	100.0
Kiinteistö Oy Helsingin Mechelininkatu 12-14	100.0	100.0
Kiinteistö Oy Helsingin Meripellonhovi	98.3	98.3
Kiinteistö Oy Helsingin Mestari	100.0	100.0
Kiinteistö Oy Helsingin Myllymatkantie 1	100.0	100.0
Kiinteistö Oy Helsingin Navigatortalo	44.7	44.7

31 Dec 2024	Group's holding, %	Parent company's holding, %
Kiinteistö Oy Helsingin Niittaajankadun Klaava	100.0	100.0
Kiinteistö Oy Helsingin Nils Westermarckin kuja 18	100.0	100.0
Kiinteistö Oy Helsingin Näkinkuja 6	100.0	100.0
Kiinteistö Oy Helsingin Näyttelijäntie 24	100.0	100.0
Kiinteistö Oy Helsingin Pajamäentie 6	100.0	100.0
Kiinteistö Oy Helsingin Pajamäentie 7	100.0	100.0
Kiinteistö Oy Helsingin Pakilantie 17	100.0	100.0
Kiinteistö Oy Helsingin Piispantie 3	100.0	100.0
Kiinteistö Oy Helsingin Piispantie 5	100.0	100.0
Kiinteistö Oy Helsingin Piispantie 7	100.0	100.0
Kiinteistö Oy Helsingin Piispantie 8	100.0	100.0
Kiinteistö Oy Helsingin Pääskylänrinne	100.0	100.0
Kiinteistö Oy Helsingin Rikhard Nymanin tie 3	100.0	100.0
Kiinteistö Oy Helsingin Riontähti	100.0	100.0
Kiinteistö Oy Helsingin Rusthollarinkuja 2	100.0	100.0
Kiinteistö Oy Helsingin Sateenkaari	100.0	100.0
Kiinteistö Oy Helsingin Siltavoudintie 20	100.0	100.0
Kiinteistö Oy Helsingin Snellmaninkatu 23	100.0	100.0
Kiinteistö Oy Helsingin Stenbäckinkatu 5	60.0	60.0
Kiinteistö Oy Helsingin Sähköttäjänkatu 6	100.0	100.0
Kiinteistö Oy Helsingin Tilkankatu 15	100.0	100.0
Kiinteistö Oy Helsingin Tilkankatu 2	100.0	100.0
Kiinteistö Oy Helsingin Tilkankatu 6	100.0	100.0
Kiinteistö Oy Helsingin Tulisuoontie 20	100.0	100.0
Kiinteistö Oy Helsingin Vanha Viertotie 6	100.0	100.0
Kiinteistö Oy Helsingin Vanha Viertotie 8	100.0	100.0
Kiinteistö Oy Helsingin Venemestarintie 4	100.0	100.0
Kiinteistö Oy Helsingin Vervi	100.0	100.0
Kiinteistö Oy Helsingin Vetelintie 5	100.0	100.0
Kiinteistö Oy Helsingin Viulutie 1	100.0	100.0
Kiinteistö Oy Helsingin Vuosaaren Helmi	100.0	100.0
Kiinteistö Oy Helsingin Välskärinkatu 4	100.0	100.0
Kiinteistö Oy Järvenpään Kotokartano	100.0	100.0
Kiinteistö Oy Kaarenjalka 5g	100.0	100.0
Kiinteistö Oy Kaarinan Auranpihat	100.0	100.0
Kiinteistö Oy Kangasalan Unikkoniitty	100.0	100.0

31 Dec 2024	Group's holding, %	Parent company's holding, %
Kiinteistö Oy Kapellimestarinparkki	9.1	9.1
Kiinteistö Oy Kauniaisten Ratapolku 6	100.0	100.0
Kiinteistö Oy Keinulaudantie 7h	100.0	100.0
Kiinteistö Oy Keravan Papintie 1	100.0	100.0
Kiinteistö Oy Kirkkonummen Sarvikinportti	60.0	6.4
Kiinteistö Oy Kirkkonummen Sarvikinrinne 4	100.0	100.0
Kiinteistö Oy Lempäälän Moisionaukea 25	100.0	100.0
Kiinteistö Oy Mannerheimintie 170	63.3	63.3
Kiinteistö Oy Mellunpuiston Tontti S 13	100.0	100.0
Kiinteistö Oy Mellunpuiston Tontti S 13 Holding	100.0	100.0
Kiinteistö Oy Mellunpuiston Tontti S 4	100.0	100.0
Kiinteistö Oy Mellunpuiston Tontti S 4 Holding	100.0	100.0
Kiinteistö Oy Nekalanpuisto	2.9	2.9
Kiinteistö Oy Niittykummun Huippuparkki	38.2	38.2
Kiinteistö Oy Nokian Virran Ritari	100.0	100.0
Kiinteistö Oy Pellervon Pysäköinti	16.0	16.0
Kiinteistö Oy Raikukuja II	100.0	100.0
Kiinteistö Oy Sammon Parkki	21.2	21.2
Kiinteistö Oy Tampereen Aitolahdentie 22	100.0	100.0
Kiinteistö Oy Tampereen Aitolahdentie 24	100.0	100.0
Kiinteistö Oy Tampereen Alapeusonkatu 6	100.0	100.0
Kiinteistö Oy Tampereen Atanväylä 4A	100.0	100.0
Kiinteistö Oy Tampereen Atanväylä 4B	100.0	100.0
Kiinteistö Oy Tampereen Hannulanpolku 10	100.0	100.0
Kiinteistö Oy Tampereen Heittoniityn Parkki	56.7	56.7
Kiinteistö Oy Tampereen Heittoniitynkuja 5	100.0	100.0
Kiinteistö Oy Tampereen Hervannan Puistokallio	100.0	100.0
Kiinteistö Oy Tampereen Härmälänrannan Aurinkokallio	100.0	100.0
Kiinteistö Oy Tampereen Härmälänrannan Sisä	100.0	100.0
Kiinteistö Oy Tampereen Iidesranta 18	100.0	100.0
Kiinteistö Oy Tampereen Jankanpuisto	100.0	100.0
Kiinteistö Oy Tampereen Kaidanpääty	100.0	100.0
Kiinteistö Oy Tampereen Kauppa-aukio	100.0	100.0
Kiinteistö Oy Tampereen Linnanhera	100.0	100.0
Kiinteistö Oy Tampereen Pappilan Herra	100.0	100.0
Kiinteistö Oy Tampereen Puistofasaani	100.0	100.0

31 Dec 2024	Group's holding, %	Parent company's holding, %
Kiinteistö Oy Tampereen Ruovedenkatu 11	100.0	100.0
Kiinteistö Oy Tampereen Sammon Kalervo	100.0	100.0
Kiinteistö Oy Tampereen Tarmonkatu 6	100.0	100.0
Kiinteistö Oy Tampereen Tieteenkatu 14	100.0	100.0
Kiinteistö Oy Tampereen Tuiskunkatu 7	100.0	100.0
Kiinteistö Oy Tohopinkontu	100.0	60.0
Kiinteistö Oy Turun Gränsbackankuja 3	100.0	100.0
Kiinteistö Oy Turun Joutsenpuisto 7	100.0	100.0
Kiinteistö Oy Turun Kaivokatu 10	100.0	100.0
Kiinteistö Oy Turun Kuovi	100.0	100.0
Kiinteistö Oy Turun Kupittaan Kyyhky	100.0	100.0
Kiinteistö Oy Turun Maarianportti	100.0	100.0
Kiinteistö Oy Turun Marmoririnne 2	100.0	100.0
Kiinteistö Oy Turun Metallikatu	100.0	100.0
Kiinteistö Oy Turun Pryssinkatu 13	100.0	100.0
Kiinteistö Oy Turun Ratavahdinrinne	100.0	100.0
Kiinteistö Oy Turun Rauhankatu 8	100.0	100.0
Kiinteistö Oy Turun Sato-Koto	100.0	100.0
Kiinteistö Oy Turun Sorakatu 9	100.0	100.0
Kiinteistö Oy Turun Sukkulakoti	100.0	100.0
Kiinteistö Oy Turun Tervaporvari	100.0	100.0
Kiinteistö Oy Turun Uudenmaanlinna	100.0	100.0
Kiinteistö Oy Turun Veistämöntori	100.0	100.0
Kiinteistö Oy Turun Westparkin Eeben	100.0	100.0
Kiinteistö Oy Turun Westparkin Tuija	100.0	100.0
Kiinteistö Oy Tuusulan Pataljoonantie 3	100.0	100.0
Kiinteistö Oy Uudenmaantulli	24.3	24.3
Kiinteistö Oy Vallikallionpolku	100.0	100.0
Kiinteistö Oy Vantaan Aapramintie 4	100.0	100.0
Kiinteistö Oy Vantaan Havukoskenkatu 20	100.0	100.0
Kiinteistö Oy Vantaan Heporinne 4	100.0	100.0
Kiinteistö Oy Vantaan Hiekkaharjuntie 16	100.0	100.0
Kiinteistö Oy Vantaan Horsmakuja 4a	100.0	100.0
Kiinteistö Oy Vantaan Kaarenkunnas	100.0	100.0
Kiinteistö Oy Vantaan Kaarenlehmus	100.0	100.0
Kiinteistö Oy Vantaan Kesäniitty	100.0	100.0

31 Dec 2024	Group's holding, %	Parent company's holding, %
Kiinteistö Oy Vantaan Kevätpuro	100.0	100.0
Kiinteistö Oy Vantaan Kivivuorentie 8 A-B	100.0	100.0
Kiinteistö Oy Vantaan Kivivuorentie 8 C	100.0	100.0
Kiinteistö Oy Vantaan Krassipuisto	100.0	100.0
Kiinteistö Oy Vantaan Kukinkuja 2	100.0	100.0
Kiinteistö Oy Vantaan Kärry	100.0	100.0
Kiinteistö Oy Vantaan Leksankuja 3	100.0	100.0
Kiinteistö Oy Vantaan Lincolninaukio 4	100.0	100.0
Kiinteistö Oy Vantaan Lummepiha	100.0	100.0
Kiinteistö Oy Vantaan Martinpääsky	100.0	100.0
Kiinteistö Oy Vantaan Myyrinhaukka	100.0	100.0
Kiinteistö Oy Vantaan Myyrinmutka	100.0	100.0
Kiinteistö Oy Vantaan Oritie 1	100.0	100.0
Kiinteistö Oy Vantaan Orvokkikuja 1a	100.0	100.0
Kiinteistö Oy Vantaan Orvokkikuja 1b	100.0	100.0
Kiinteistö Oy Vantaan Pakkalanportti	100.0	100.0
Kiinteistö Oy Vantaan Pakkalanrinne 5-7	100.0	100.0
Kiinteistö Oy Vantaan Peltolantie 14	100.0	100.0
Kiinteistö Oy Vantaan Piparminttu	100.0	100.0
Kiinteistö Oy Vantaan Pronssikuja 1	100.0	100.0
Kiinteistö Oy Vantaan Raikukuja 4B	100.0	100.0
Kiinteistö Oy Vantaan Raudikkokuja 7	100.0	100.0
Kiinteistö Oy Vantaan Rubiinikehä 1B	100.0	100.0
Kiinteistö Oy Vantaan Ruostekuja 3	100.0	100.0
Kiinteistö Oy Vantaan Solkikuja 2	100.0	100.0
Kiinteistö Oy Vantaan Solkikuja 5	100.0	100.0
Kiinteistö Oy Vantaan Sompakuja 2-4	100.0	100.0
Kiinteistö Oy Vantaan Tempo	100.0	100.0
Kiinteistö Oy Vantaan Teodora	100.0	100.0
Kiinteistö Oy Vantaan Terhokuja 3	100.0	100.0
Kiinteistö Oy Vantaan Tykkikuja 11	100.0	100.0
Kiinteistö Oy Vantaan Tykkikuja 7	100.0	100.0
Kiinteistö Oy Vantaan Uomarinne 5	100.0	100.0
Kiinteistö Oy Vantaan Varikkokaarre 2	100.0	100.0
Kiinteistö Oy Vantaan Vihvilätie 3	100.0	100.0
Kiinteistö Oy Vantaan Virtakuja 6	100.0	100.0

31 Dec 2024	Group's holding, %	Parent company's holding, %
Kiinteistö Oy Ylöjärven Viljavainio	100.0	100.0
Työväen Asunto-osakeyhtiö Rauha	10.2	10.2
Ömsesidiga Fastighets Ab Malmeken	13.0	13.0
Sato-Pysäköinti Oy		
Kiinteistö Oy Espoon Kotkatien Pysäköinti	89.1	89.1
Kiinteistö Oy Espoon Nihtiparkki	50.0	50.0
Kiinteistö Oy Espoon Pegasos Pysäköinti	25.1	25.1
Kiinteistö Oy Espoon Peijinkujan Pysäköinti	97.1	97.1
Kiinteistö Oy Finnoonsillan Parkki	12.0	12.0
Kiinteistö Oy Helsingin Jokiniementien Pysäköinti	78.1	78.1
Kiinteistö Oy Helsingin Käskynhaltijantien Pysäköinti	80.0	80.0
Kiinteistö Oy Mellunpuiston Pysäköinti Holding	24.0	24.0
Kiinteistö Oy Puutorin Pysäköinti	51.6	51.6
Kiinteistö Oy Runoratsun Pysäköinti	20.7	20.7
Kiinteistö Oy Skanssin Autoparkki	24.7	24.7
Kiinteistö Oy Vantaan Lincolnin aukion Pysäköinti	100.0	100.0
Kruunuvuoren Parkki Oy	76.9	76.9
Sato-JoustoKoti Oy		
Asunto Oy Helsingin Käskynhaltija	100.0	100.0
Asunto Oy Helsingin Myllyrinne	100.0	100.0
Asunto Oy Hervantajärven Helmi, Tampere	98.4	98.4
Asunto-osakeyhtiö Talin Estelle, Helsinki	93.5	93.5
Kiinteistö Oy Espoon Humisevanportti 2	100.0	100.0
SATOkoti Oy		
Kiinteistö Oy Ida Aalbergintie 1	100.0	100.0
Kiinteistö Oy Tohlopinkontu	100.0	40.0
SATOkoti 24 Oy		
Asunto Oy Vantaan Neulansilmä	2.2	2.2
Vatrotalot 5 Oy		
Asunto Oy Helsingin Laivalahdenportti 5	75.5	75.5
Asunto Oy Helsingin Toini Muonan Katu 8	10.6	10.6

31 Dec 2024	Group's holding, %	Parent company's holding, %
Asunto Oy Kirkkonummen Riihipolku	100.0	100.0
Asunto Oy Kylänpäänpelto	43.8	43.8
Asunto Oy Laakavuorentie 4	39.1	39.1
Asunto Oy Meriramsi	25.6	25.6
Asunto Oy Meri-Rastilan Tie 5	23.5	23.5
Asunto Oy Meri-Rastilan Tie 9	9.1	9.1
Asunto Oy Nurmijärven Kylänpäänkaari	45.0	45.0
Asunto Oy Nurmijärven Kylänpäänniitty	31.2	31.2
Asunto Oy Vantaan Ravurinpuisto	61.1	61.1
Sato-Rakennuttajat Oy		
Asunto Oy Kirkkonummen Helmi	100.0	100.0
Asunto Oy Kirkkonummen Sarvvikintie 4	100.0	81.7
Kiinteistö Oy Kirkkonummen Sarvvinportti	60.0	46.8
Sarfvikin Vesialue Oy	60.0	41.7
Uusi Sarfvik Oy	60.0	41.7

FINANCIAL STATEMENTS OF THE PARENT COMPANY, FAS

PARENT COMPANY INCOME STATEMENT, FAS

EUR	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Net sales	2	10,842,800.74	14,449,201.24
Other operating income	3	217,528.78	363,062.14
Materials and services	4	-23,749.40	-58,813.60
Personnel expenses	5, 6, 7	-2,114,804.82	-2,084,097.60
Deprecation, amortisation and impairment charges	8	-3,023,526.81	-2,806,604.51
Other operating expenses	9	-9,617,870.43	-22,451,282.67
Operating profit/loss		-3,719,621.94	-12,588,535.00
Financial income and expenses	10	-1,135,696.19	-7,826,552.28
Profit/loss before appropriations and taxes		-4,855,318.13	-20,415,087.28
Group contribution	11	46,600,000.00	0.00
Income taxes	12	-4,360,308.97	-13,115.84
Profit for the period		37,384,372.90	-20,428,203.12

PARENT COMPANY BALANCE SHEET, FAS

EUR	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets	13	7,439,718.53	7,870,593.51
Tangible assets	14	1,493,554.07	2,345,204.60
Holdings in Group companies	15	978,197,057.97	978,131,291.95
Holdings in associated companies	16	1,250.00	1,250.00
Other holdings and shares	17	955,882.53	958,404.35
Total		988,087,463.10	989,306,744.41

EUR	Note	31 Dec 2024	31 Dec 2023
Current assets			
Inventories	18	491,108.96	495,759.00
Long-term receivables, group	19	1,325,530,163.98	1,299,744,746.72
Long-term receivables, external	19	22,093,332.16	410,259.90
Short-term receivables, group	20	447,816,794.56	393,731,404.72
Short-term receivables, external	20	8,697,752.45	127,065,708.60
Cash and cash equivalents		30,197,463.62	4,302,542.85
Total		1,834,826,615.73	1,825,750,421.79
TOTAL ASSETS		2,822,914,078.83	2,815,057,166.20
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	21, 22		
Share capital	23	4,442,192.00	4,442,192.00
Reserve fund		43,683,500.96	43,683,500.96
Other funds		315,913,231.74	229,026,813.17
Retained earnings		376,150,906.09	396,579,109.21
Profit for the period		37,384,372.90	-20,428,203.12
Total		777,574,203.69	653,303,412.22
Liabilities			
Non-current liabilities, external	24	1,576,299,850.81	1,345,005,554.02
Current liabilities, group	25	204,755,730.75	167,483,695.98
Current liabilities, external	25	264,284,293.58	649,264,503.98
Total		2,045,339,875.14	2,161,753,753.98
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL		2,822,914,078.83	2,815,057,166.20

PARENT COMPANY'S CASH FLOW STATEMENT, FAS

EUR	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the financial year	37,384,372.90	-20,428,203.12
Adjustments:		
Depreciation	3,023,526.81	2,806,604.51
Financial income (-) and expenses (+)	1,135,696.19	7,826,552.28
Income tax	4,360,308.97	13,115.84
Proceeds (-) and losses (+) on sales of non-current assets	-186,420.74	11,211,349.29
Group contribution	-46,600,000.00	0.00
Other adjustments	3,000.00	-20,480.19
Cash flow before change in working capital	-879,515.87	1,408,938.61
Change in working capital		
Decrease (+)/increase(-) in current non-interest bearing receivables	-96,811.86	1,297,608.58
Decrease (+)/increase(-) in inventories	4,650.04	44,087.60
Decrease (-)/increase(+) in current loans	862,009.22	2,146,047.95
Cash flow before financial items and taxes	-109,668.47	4,896,682.74
Interest paid	-88,966,635.86	-74,590,615.00
Dividends received	37,679.70	193,187.69
Interest received	106,934,464.42	73,827,385.71
Other financial expenses	-22,345,057.34	-12,804,539.97
Direct taxes paid	6,448,656.19	-20,651,232.45
Cash flow from incidental operating activities	0.00	-1,082,275.43
Cash flow from operating activities (A)	1,999,438.64	-30,211,406.71

EUR	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets	-1,710,926.99	-2,915,586.66
Income from disposals of tangible assets	252,405.87	169,229.00
Other investments to subsidiaries	-10,000.00	0.00
Placements in other investments	-151,825.46	-81,600.25
Proceeds from other investments	0.00	55,196,047.10
Loans granted	-19,251,297.74	-222,316,027.61
Instalments on loan receivable	12,540,000.00	6,246,815.27
Return of capital	0.00	23,243,000.00
Investments in debt securities	-19,767,601.86	0.00
Cash receipts from debt securities	19,767,601.86	0.00
Cash flow from investing activities (B)	-8,331,644.32	-140,458,123.15
CASH FLOW FROM FINANCING ACTIVITIES		
Paid share issue	199,935,195.39	0.00
Loans taken	850,680,726.75	1,381,043,670.22
Payments on loans	-1,028,504,679.59	-1,338,785,874.54
Changes in short-term cash pool liabilities and receivables	10,115,883.90	-80,727,135.30
Group contributions (contribution-based)	0.00	160,000,000.00
Cash flow from financing activities (C)	32,227,126.45	121,530,660.38
Change in cash equivalents	25,894,920.77	-49,138,869.48
Cash and cash equivalents at the beginning of the year	4,302,542.85	53,441,412.33
Cash and cash equivalents at the end of the year	30,197,463.62	4,302,542.85

PARENT COMPANY ACCOUNTING PRINCIPLES, FAS

1. PARENT COMPANY ACCOUNTING PRINCIPLES

Basic information

SATO Corporation is a Finnish public limited company domiciled in Helsinki, Finland. SATO's registered address is Panuntie 4, 00600 Helsinki, Finland.

SATO Corporation and its subsidiaries together form the consolidated SATO Group. SATO Corporation's majority shareholder with 57.0% shareholding is Balder Finska Otas AB, whose parent company is Fastighets AB Balder, which is quoted on the Stockholm Stock Exchange. SATO Group operations primarily consist of investment in housing properties and most of its investment property is located in the Helsinki region.

General principles

Sato Corporation's financial statements have been prepared in accordance with the provisions of the Finnish Accounting Act and the Finnish Limited Liability Companies Act.

Income related to rental operations and compensation for administration costs

Income related to rental operations and compensation for administration costs are recognised on an accrual basis during the agreement period.

Valuation of fixed assets

Tangible and intangible assets are recognised in the balance sheet at original acquisition cost less depreciation according to plan and possible impairment. Depreciations according to plan are calculated as straight-line depreciation on the basis of the estimated useful life of the assets.

Depreciation periods:

Other intangible long-term expenses	6–10 years
Buildings	67 years
Structures	15 years
Machinery and equipment	5–10 years
Other tangible assets	3–6 years
Shelters	40 years
Vehicles	4 years

Shares in subsidiaries are valued based on acquisition costs less possible impairments.

Pension costs

The pension cover of Group companies is handled by external pension insurance companies in all respects. Pension costs are recognised as costs in the income statement on an accrual basis.

Development expenditures

Development costs are recognised as expenses in the income statement in the financial year in which they have occurred.

Valuation of inventories

Inventories have been recognised at the lower of cost or probable sales price on the balance sheet date.

Derivatives

Interest rate derivatives are used for hedging against the interest rate risks of floating term loans. The interest income and expenses based on derivative instruments are allocated over the agreement period.

The company has recorded the negative fair values of the derivatives as a non-current and current liability in full in its balance sheet. No deferred tax assets have been recorded from the derivative liability.

Derivatives having positive fair values are not entered into the balance sheet and positive fair values are reported only in the notes to the financial statements.

Methods used in derivative fair valuations have been discussed under the Group Financial Statements note number 26.

NOTES TO INCOME STATEMENT**2. NET SALES**

EUR	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Rental income and compensation charges	1,945,418.32	2,066,088.67
Other income	196.00	454,710.40
Management service charges	8,897,186.42	11,928,402.17
Total	10,842,800.74	14,449,201.24

3. OTHER OPERATING INCOME

EUR	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Other operating income	14,939.16	244,941.66
Profit on sales of fixed assets	202,589.62	118,120.48
Total	217,528.78	363,062.14

4. MATERIALS AND SERVICES

EUR	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Materials and consumables		
Purchases	19,099.36	14,726.00
Change in inventories	4,650.04	44,087.60
Total	23,749.40	58,813.60

5. PERSONNEL EXPENSES

EUR	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Salaries and wages	1,813,113.69	1,743,662.79
Pension expenses	255,446.88	289,942.65
Other personnel expenses	46,244.25	50,492.16
Total	2,114,804.82	2,084,097.60

6. MANAGEMENT SALARIES AND COMPENSATIONS

EUR	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
President and members of the Board of Directors	506,920.65	546,259.09

7. AVERAGE NUMBER OF PERSONNEL

	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Employees	11	12

8. DEPRECIATION, AMORTISATION AND IMPAIRMENT CHARGES

EUR	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Intangible assets	2,133,811.05	1,897,058.06
Tangible assets	889,715.76	909,546.45
Total	3,023,526.81	2,806,604.51

9. OTHER OPERATING EXPENSES

EUR	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Rents	240,229.66	238,778.94
Maintenance expenses	210,537.40	269,158.78
Other fixed expenses *	9,132,332.89	10,396,822.07
Other operating expenses	18,601.60	130,187.14
Losses on sales of fixed assets	16,168.88	0.00
Losses on sales of residential investment properties	0.00	11,416,335.74
Total	9,617,870.43	22,451,282.67

* Audit fees were EUR 91,146.31 (56,255.00) and audit related assignment fees were EUR 51,500.00 (39,500.00).

10. FINANCIAL INCOME AND EXPENSES

EUR	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Interest income and other financial income on long-term investments		
From Group companies	84,737,013.27	62,772,907.25
From others	27,921,828.71	15,976,040.50
Total	112,658,841.98	78,748,947.75
EUR	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Interest expenses and other financing expenses		
To Group companies	-10,113,134.57	-7,389,104.24
To others:		
Interest expenses	-88,947,409.95	-73,125,652.57
Other financial expenses	-14,236,347.65	-5,945,189.22
Change of derivative fair values	-497,646.00	-115,554.00
Total	-113,794,538.17	-86,575,500.03
Financial income and expenses, total	-1,135,696.19	-7,826,552.28

11. GROUP CONTRIBUTIONS

EUR	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Group contributions received	46,600,000.00	0.00
Total	46,600,000.00	0.00

12. INCOME TAXES

EUR	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Income taxes, business operations	4,360,308.97	13,115.84
Total	4,360,308.97	13,115.84

NOTES TO BALANCE SHEET**13. INTANGIBLE ASSETS**

EUR	2024	2023
Other long-term expenditure		
Acquisition cost, 1 Jan	19,653,541.44	16,824,498.99
Increases	1,663,606.27	2,783,208.43
Decreases	0.00	-2,576.00
Transfers	39,329.80	48,410.02
Acquisition cost, 31 Dec	21,356,477.51	19,653,541.44
Accumulated amortisation and impairment, 1 Jan	11,782,947.93	9,888,465.87
Accumulated amortisation of decreases	0.00	-1,949.23
Amortisation, current year	2,133,811.05	1,896,431.29
Accumulated amortisation and impairment, 31 Dec	13,916,758.98	11,782,947.93
Book value, 31 Dec	7,439,718.53	7,870,593.51
Intangible assets, total	7,439,718.53	7,870,593.51

14. TANGIBLE ASSETS

EUR	2024	2023
Land and water areas		
Acquisition cost, 1 Jan	19,595.69	19,595.69
Acquisition cost, 31 Dec	19,595.69	19,595.69
Book value, 31 Dec	19,595.69	19,595.69
Buildings and structures		
Acquisition cost, 1 Jan	10,275.62	58,685.64
Transfers	0.00	-48,410.02
Acquisition cost, 31 Dec	10,275.62	10,275.62
Accumulated depreciation and impairment, 1 Jan	10,274.62	10,274.62
Accumulated depreciation and impairment, 31 Dec	10,274.62	10,274.62
Book value, 31 Dec	1.00	1.00

EUR	2024	2023
Connection fees		
Acquisition cost, 1 Jan	3,139.28	3,139.28
Acquisition cost, 31 Jan	3,139.28	3,139.28
Book value, 31 Dec	3,139.28	3,139.28
Machinery and equipment		
Acquisition cost, 1 Jan	7,445,473.38	6,765,690.95
Increases	110,966.17	1,010,445.91
Decreases	-532,012.73	-330,663.48
Acquisition cost, 31 Dec	7,024,426.82	7,445,473.38
Accumulated depreciation and impairment, 1 Jan	5,292,597.48	4,704,674.88
Accumulated depreciation of decreases	-466,027.60	-279,554.96
Depreciation, current year	862,774.38	867,477.56
Accumulated depreciation and impairment, 31 Dec	5,689,344.26	5,292,597.48
Book value, 31 Dec	1,335,082.55	2,152,875.89
Other tangible assets		
Acquisition cost, 1 Jan	1,553,686.53	1,553,686.53
Acquisition cost, 31 Dec	1,553,686.53	1,553,686.53
Accumulated depreciation and impairment, 1 Jan	1,423,423.59	1,381,354.70
Depreciation, current year	26,941.38	42,068.89
Accumulated depreciation and impairment, 31 Dec	1,450,364.97	1,423,423.59
Book value, 31 Dec	103,321.56	130,262.94
Assets in progress		
Acquisition cost, 1 Jan	39,329.80	835,797.23
Increases	32,413.99	39,329.80
Transfers	-39,329.80	-835,797.23
Acquisition cost, 31 Dec	32,413.99	39,329.80
Book value, 31 Dec	32,413.99	39,329.80
Tangible assets, total	1,493,554.07	2,345,204.60

15. HOLDINGS IN GROUP COMPANIES

EUR	2024	2023
Acquisition cost, 1 Jan	978,131,291.95	1,066,817,533.39
Increases	10,000.00	0.00
Transfers	55,766.02	0.00
Decreases	0.00	-88,686,241.44
Acquisition cost, 31 Dec	978,197,057.97	978,131,291.95
Book value, 31 Dec	978,197,057.97	978,131,291.95

16. HOLDINGS IN ASSOCIATED COMPANIES

EUR	2024	2023
Acquisition cost, 1 Jan	1,250.00	1,250.00
Acquisition cost, 31 Dec	1,250.00	1,250.00
Book value, 31 Dec	1,250.00	1,250.00

17. OTHER STOCKS AND SHARES

EUR	2024	2023
Acquisition cost, 1 Jan	989,245.89	989,245.89
Acquisition cost, 31 Dec	989,245.89	989,245.89
Accumulated depreciation and impairment, 1 Jan	30,841.54	30,841.54
Increases	2,521.82	0.00
Accumulated depreciation and impairment, 31 Dec	33,363.36	30,841.54
Book value, 31 Dec	955,882.53	958,404.35
Investments, total	979,154,190.50	979,090,946.30

18. INVENTORIES

EUR	2024	2023
Land areas and land area companies	272,821.30	277,471.34
Other inventories	218,287.66	218,287.66
Book value, 31 Dec	491,108.96	495,759.00

19. NON-CURRENT RECEIVABLES

EUR	31 Dec 2024	31 Dec 2023
Receivables from Group companies		
Notes receivable	1,325,530,163.98	1,299,744,746.72
Total	1,325,530,163.98	1,299,744,746.72

Loan agreements between group companies follow normal market-based terms and conditions, and the loans are unsecured. The interest rate was 4.6% (5.4) and the average maturity was 5.0 years (5.9).

EUR	2024	2023
Receivables from others		
Prepaid expenses	0.00	410,259.90
Prepaid expenses and accrued income, capital discount of debt securities *	22,093,332.16	0.00
Total	22,093,332.16	410,259.90
Non-current receivables, total	1,347,623,496.14	1,300,155,006.62

*Relates to the bond issued during the financial year 2024

20. CURRENT RECEIVABLES

EUR	31 Dec 2024	31 Dec 2023
Receivables from Group companies		
Other receivables *	443,202,977.12	390,104,421.73
Prepaid expenses and accrued income	4,613,817.44	3,626,982.99
Total	447,816,794.56	393,731,404.72

*Includes receivables from in-house bank accounts totaling EUR 396,602,977.12 (390,092,684.60). The interest rate was 3.0% (3.0).

EUR	31 Dec 2024	31 Dec 2023
Receivables from others		
Accounts receivable	201,685.67	381,708.70
Share issue receivables	0.00	113,048,776.82
Prepaid expenses and accrued income	8,496,066.78	13,635,223.08
Total	8,697,752.45	127,065,708.60
Current receivables, total	456,514,547.01	520,797,113.32
Receivables total	1,804,138,043.15	1,820,952,119.94

EUR	31 Dec 2024	31 Dec 2023
Specification of prepaid expenses and accrued income		
Current tax receivables	0.00	9,305,759.97
Capital discount of debt securities	4,966,322.41	0.00
Interest receivables	2,692,102.52	3,772,133.93
Other	837,641.85	557,329.18
Total	8,496,066.78	13,635,223.08

21. SHAREHOLDERS' EQUITY

EUR	2024	2023
Share capital, 1 Jan	4,442,192.00	4,442,192.00
Share capital, 31 Dec	4,442,192.00	4,442,192.00
Reserve fund, 1 Jan	43,683,500.96	43,683,500.96
Reserve fund, 31 Dec	43,683,500.96	43,683,500.96
Other funds, 1 Jan	1,132,319.33	1,132,319.33
Other funds, 31 Dec	1,132,319.33	1,132,319.33
Invested unrestricted equity fund, 1 Jan	227,894,493.84	114,845,717.02
Share issue	86,886,418.57	113,048,776.82
Invested unrestricted equity fund, 31 Dec	314,780,912.41	227,894,493.84
Retained earnings, 1 Jan	376,150,906.09	396,579,109.21
Retained earnings, 31 Dec	376,150,906.09	396,579,109.21
Profit for the period	37,384,372.90	-20,428,203.12
Shareholders' equity, total, 31 Dec	777,574,203.69	653,303,412.22

22. CALCULATION OF DISTRIBUTABLE FUNDS

EUR	31 Dec 2024	31 Dec 2023
Other funds	1,132,319.33	1,132,319.33
Invested unrestricted equity fund	314,780,912.41	227,894,493.84
Retained earnings	376,150,906.09	396,579,109.21
Profit for the period	37,384,372.90	-20,428,203.12
Distributable funds, 31 Dec	729,448,510.73	605,177,719.26

23. SHARE CAPITAL AND SHARES

	31 Dec 2024	31 Dec 2023
Total number of shares	85,062,444	56,783,067

SATO Corporation has one class of shares, each of which entitles to one vote at the Annual General Meeting. The shares do not have a nominal value. The share capital of the company totalled EUR 4,442,192.00 at the financial statement date, and it was fully paid. The company held 166,000 of its own shares at the financial statement date.

The share issue begun in late 2023 ended in February and SATO raised some EUR 200 million in gross proceeds from the issue. The number of company shares rose by 28,279,377 due to the share issue, from 56,783,067 shares to 85,062,444 shares.

On 21 March 2024, the General Meeting authorised the Board of Directors to decide on a share issue. The number of shares issued based on the authorisation cannot exceed 8,517,460 shares. The authorization is valid until the end of the next Annual General Meeting, but in any case, no later than 30 June 2025, and revokes the authorization granted by the Extraordinary General Meeting on 11 December 2023. The Board of Directors has not decided on a share issue under the authorization by 31 December 2024.

24. LONG-TERM LIABILITIES

EUR	31 Dec 2024	31 Dec 2023
Loans from financial institutions		
Bonds *	600,000,000.00	400,000,000.00
Loans from financial institutions	975,686,650.81	944,890,000.02
Derivative liabilities	613,200.00	115,554.00
Total	1,576,299,850.81	1,345,005,554.02
Long-term liabilities, total	1,576,299,850.81	1,345,005,554.02

* More information on Group financial statements note 25.

Sensitivity analysis, interest rate risk

Profit and Loss 2024

EUR	1.0%	-1.0%
Interest rate swaps	13.8	-14.7
Total	13.8	-14.7

Profit and Loss 2023

EUR	1.0%	-1.0%
Interest rate swaps	15.6	-16.7
Total	15.6	-16.7

Hedge accounting is not applied on SATO Corporation level, therefore the sensitivity analysis is presented only on the Profit and Loss.

EUR	31 Dec 2024	31 Dec 2023
Loans maturing in more than five years	459,108,142.86	159,285,714.29

Derivatives

EUR	31 Dec 2024	31 Dec 2023
Nominal values of derivative instruments		
Interest rate swaps	458,000,000.00	480,272,500.00
Net	458,000,000.00	480,272,500.00

EUR	31 Dec 2024	31 Dec 2023
Fair values of derivative instruments		
Interest rate swaps		
Positive	15,771,175.72	23,441,735.30
Negative	-613,200.55	-115,554.43
Net	15,157,975.17	23,326,180.87

Interest rate risk arising from floating rate loans of Group companies is hedged using derivative instruments in accordance with the Treasury Policy. The hedge ratio complies with the Treasury Policy, according to which the ratio of fixed-rate loans to the entire loan portfolio is kept above 60%. Treasury aims to optimize the interest risk by maintaining the average interest fixing period between 3 to 5 years when market interest rates (ECB key rate) are above 1%, and between 3 to 10 years when market interest rates are equal to or below 1%.

No deferred tax assets have been recorded in relation to derivative liabilities. The deferred tax asset would have been EUR 0,00 31.12.2024 and EUR 0.00 31.12.2023.

25. CURRENT LIABILITIES

EUR	31 Dec 2024	31 Dec 2023
Loans to Group companies		
Accounts payable	407,124.30	407,124.30
Other liabilities	204,324,423.48	167,036,730.76
Accrued expenses and prepaid income to 100% owned housing companies	24,182.97	39,840.92
Total	204,755,730.75	167,483,695.98
EUR	2024	2023
Loans to others		
Loans from financial institutions	241,874,642.14	277,653,718.27
Bonds	0.00	350,000,000.00
Advances received	21,536.96	19,725.84
Accounts payable	1,365,120.71	921,735.72
Other liabilities	140,734.75	169,168.91
Accrued expenses and prepaid income	20,882,259.02	20,500,155.24
Total	264,284,293.58	649,264,503.98
Current liabilities, total	469,040,024.33	816,748,199.96
Liabilities, total	2,045,339,875.14	2,161,753,753.98

For purposes of short-term financing, SATO has a commercial paper programme of EUR 400.0 million (400.0), of which EUR 375.0 million (324.0) were unused, committed credit limits of EUR 600.0 million (600.0), of which EUR 600.0 million (430.0) were unused, and a noncommitted current overdraft limit of EUR 5.0 million (5.0), of which EUR 5.0 million (5.0) were unused.

EUR	31 Dec 2024	31 Dec 2023
Specification of accrued expenses and prepaid income		
Wages and salaries including employee benefits	977,494.65	744,137.38
Interest payable	16,120,590.61	16,139,816.52
Others	2,302,151.54	3,656,042.26
Current tax liabilities	1,506,205.19	0.00
Total	20,906,441.99	20,539,996.16

26. COLLATERALS, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

EUR	31 Dec 2024	31 Dec 2023
Guarantees		
Guarantees for debts and derivatives of Group companies	46,947,776.00	49,720,570.00
Bank guarantees for Group companies	17,876,997.47	14,569,562.34
Total	64,824,773.47	64,290,132.34
EUR	31 Dec 2024	31 Dec 2023
Other commitments		
Lease agreements for office premises, amounts due (incl.VAT)		
Within one year	1,248,762.12	1,252,790.52
Later than one year but within five years	2,487,651.59	3,546,411.15
Over five years	0.00	0.00
Lease agreements for cars and bicycles, amounts due (incl.VAT)		
Within one year	31,798.20	7,879.26
Later than one year but within five years	72,505.54	9,012.11
Over five years	0.00	0.00
Utilities and other commitments	17,090,500.00	17,090,500.00
Total	20,931,217.45	21,906,593.04

SATO has granted a community guarantee included in bank guarantee for Sato-Asunnot Oy, SATOkoti Oy and Sato-Rakennuttajat Oy.

SATO's funding agreements contain covenant clauses relating to the Group's capital structure and interest payment capacity. These clauses set a ratio of unencumbered assets to total assets at least 42.5%, a solvency ratio maximum of 65.0%, a secured solvency ratio maximum 45.0%, interest coverage ratio of at least 1.8 and unencumbered assets to unsecured debt at least 150.0%. At the reporting date, the ratio of unencumbered assets was 73.0% (87.7), the solvency ratio was 38.6% (42.4), the secured solvency ratio was 12.1% (6.2), the interest coverage ratio was 2.2 (2.9) and the ratio of unencumbered assets to unsecured debt was 264.9% (241.2).

SIGNATURES TO THE FINANCIAL STATEMENTS AND THE REPORT OF THE BOARD OF DIRECTORS

Helsinki, 6 February 2025

Erik Selin

Esa Lager

Tarja Pääkkönen

Sharam Rahi

Timo Stenius

Ming Eng

Antti Aarnio
President and CEO

The auditors' note

Our report on the conducted audit has been issued today.

Helsinki, 6 February 2025

Deloitte Oy
Authorised Public Accountants

Aleksi Martamo
Authorised Public Accountant

AUDITOR'S REPORT

(Translation of the Finnish Original)
To the Annual General Meeting of SATO Oyj

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of SATO Oyj (business identity code 0201470-5) for the year ended 31 December 2024. The financial statements comprise the consolidated balance sheet, income statement, 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 consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

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 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. The non-audit services that we have provided have been disclosed in note 7 to the consolidated financial statements.

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 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>Valuation of investment properties</p> <p>Refer to note 13 to the consolidated financial statements.</p> <p>Consolidated financial statements as of 31 December 2024 include investment properties amounting to EUR 4,971.4 million.</p> <p>Investment properties, as defined in IAS 40, are measured at fair value in accordance with IFRS 13.</p> <p>Fair value measurement of investment properties requires management judgment and assumptions, since market prices for investment properties are not available in publicly traded markets.</p> <p>This matter is regarded as significant risk of material misstatement in accordance with EU Audit Regulation (537/2014) Article 10 paragraph 2 c.</p>	<p>We have assessed and challenged the principles and methods applied in the fair value measurement. Our audit procedures included the following, among others:</p> <ul style="list-style-type: none"> • assessment of the appropriateness of valuation methods and the reasonableness of management assumptions • testing the applied valuation model for mathematical accuracy • comparison of the valuation of investment properties against externally available market data sources • evaluation of the appropriateness of the input data used in the valuation • evaluation of the competence and objectivity of the external valuation expert used by the management • testing the key controls for operating effectiveness. <p>We have assessed the appropriateness of the presentation in the consolidated financial statements.</p>

Key audit matter	How our audit addressed the key audit matter
<p>Fair value measurement of derivative instruments and application of hedge accounting</p> <p>Refer to note 26 to consolidated financial statements.</p> <p>Derivative receivables as of 31 December 2024 in the consolidated financial statements amount to EUR 15.8 million and derivative liabilities amount to EUR 0.6 million.</p> <p>Management estimates are used in the fair value measurement of derivatives and in the application of hedge accounting. These estimates contain management assumptions.</p>	<p>Our audit procedures included an assessment of internal control environment and processes over the hedge accounting documentation, effectiveness testing, and fair value measurement.</p> <p>We have also assessed the procedures and assumptions used by the management in fair value measurement.</p> <ul style="list-style-type: none"> • We have assessed the appropriateness of valuation methods and accounting policies used against the requirements set in IFRS 9 and IFRS 13 for consolidated financial statements. • We have compared the assumptions used by management in valuation against externally available market data. • We have assessed the existence and completeness of outstanding derivative contracts by requesting confirmations from the counterparties. • We have assessed that financial instruments included in hedge relationships are accounted for in accordance with IFRS 9 in the consolidated financial statements. <p>We have assessed the appropriateness of the presentation for derivative financial instruments and hedge accounting applied in the consolidated financial statements.</p>

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

The Board of Directors and the Managing Director are responsible for the preparation of consolidated 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 and the Managing Director 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 and the Managing Director are responsible for assessing the parent company’s and the group’s ability to continue as a 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 parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about 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 the 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 parent company or the group 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 23 March 2018, and our appointment represents a total period of uninterrupted engagement of seven years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements or our auditor's report thereon.

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 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 the 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 provisions.

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 provisions.

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

Helsinki, 6 February 2025

Deloitte Oy
Audit Firm

Aleksi Martamo

Authorised Public Accountant (KHT)

FIVE YEAR INDICATORS

Key financial indicators	2024	2023	2022	2021	2020
Net sales, EUR million	304.1	288.4	291.2	298.3	303.4
Net rental income, EUR million	214.4	198.7	200.4	210.6	220.3
Operating profit, EUR million	185.6	-113.6	198.9	304.5	179.6
Net financing expenses, EUR million	-80.1	-72.2	-47.0	-45.1	-50.0
Profit before taxes, EUR million	105.4	-185.8	151.9	259.4	129.5
Balance sheet total, EUR million	5,059.6	5,085.0	5,184.7	5,091.4	5,104.7
Shareholders' equity, EUR million	2,599.8	2,435.0	2,480.9	2,351.3	2,155.7
Interest-bearing liabilities, EUR million	1,970.1	2,159.2	2,145.7	2,169.5	2,381.5
Return on invested capital, % (ROIC)	4.0%	-2.5%	4.3%	6.7%	4.1%
Return on equity, % (ROE)	3.3%	-6.3%	5.0%	9.1%	4.8%
Equity ratio, %	51.4%	47.9%	47.8%	46.2%	42.2%
Personnel, average*	315	333	328	276	229
Personnel at the end of the period	300	323	325	313	242
Key indicators per share					
Earnings per share, EUR	1.04	-2.72	2.13	3.64	1.80
Equity per share, EUR**	30.63	43.01	43.82	41.53	38.07
Number of shares outstanding, million pcs	84.9	56.6	56.6	56.6	56.6
Operational key figures and net asset value					
Operational earnings, EUR million	74.4	58.7	88.5	101.6	109.0
Operational earnings per share, EUR	0.92	1.04	1.56	1.79	1.92
Net asset value, EUR million	2,949.8	2,767.5	2,849.4	2,779.3	2,577.2
Net asset value per share, EUR	34.75	48.88	50.33	49.09	45.52
Cash earnings, EUR million	88.2	32.9	141.3	107.9	132.1
Cash earnings per share, EUR	1.09	0.58	2.50	1.91	2.33

* Including seasonal employees.

** Equity excluding non-controlling interests.

Items impacting comparability

SATO's equity and the number of shares have increased after the rights offering completed in 2024. Comparative figures have not been restated.

FORMULAS USED IN CALCULATION

Net rental income, EUR	=	Net Sales – Property maintenance expenses
Return on investment, %	=	$\frac{\text{Operating profit}}{\text{Balance sheet total average during the period} - \text{non-interest-bearing debt average during the period}} \times 100$
Return on equity, %	=	$\frac{\text{Profit for the period}}{\text{Shareholders' equity average during the period}} \times 100$
Equity ratio, %	=	$\frac{\text{Shareholders' equity}}{\text{Balance sheet total}} \times 100$
Earnings per share, EUR	=	$\frac{\text{Profit for the period attributable to owners of the parent}}{\text{Number of shares, Basic, average during the period}}$
Equity per share, EUR	=	$\frac{\text{Shareholders' equity attributable to owners of the parent}}{\text{Number of shares, Basic, at the end of the reporting period}}$
Operational earnings, EUR	=	Profit for the period, IFRS -/+ Gains and losses from valuation of investment properties - Profit on sales of investment properties + Loss on sales of investment properties -/+ Profit on sales of new apartments adjusted with sales and marketing expenses -/+ Profit on sales of land areas -/+ Fair value change of financial instruments -/+ Deferred taxed of above items - Non-controlling interests
Net asset value, EUR	=	Shareholders' equity attributable to owners of the parent -/+ Fair value of financial instruments (net), net of tax -/+ Deferred tax assets and liabilities (net)
Cash earnings, EUR	=	Operating profit +/- Gains and losses from valuation of investment properties + Depreciations +/- Change of provisions +/- Defined benefit plans - Cash based financial income and expenses - Cash based taxes +/- Other items

GOVERNANCE

SATO's governance is based on Finnish legislation and SATO's Articles of Association. SATO also complies with the Corporate Governance Code 2025 issued by the Finnish Securities Market Association.

WE PREVENT RISKS

The purpose of risk management is to advance the fulfilment of SATO's strategic and business objectives. We assess opportunities and threats that arise in our operations in relation to our set objectives. We also ensure the continuity of our operations, produce information to support business decisions and maintain the organisation's understanding of the opportunities and uncertainties of our operating environment.

SATO's risk management is based on the risk assessment embedded in the strategic and annual planning process. This assessment also covers the risks of the financial reporting process. The risk assessment includes actions to mitigate the risks.

Business risks include strategic and operative risks as well as financing and market risks. In order to ensure that strategic and operational risks are handled comprehensively, key SATO employees take part in the risk identification process.

OUR APPROACH

We have laid down responsibilities for evaluating and monitoring the realisation of recognised risks. When required, we initiate risk management measures with the goal of preventing risks from being realised or to enhance the monitoring of a certain area. Management can also be strengthened by preparing operating models for various risk situations.

We continuously monitor changes in situations and the sufficiency of management on both the Group level and for each risk area under the responsibility of the designated person.

RISK MANAGEMENT SYSTEM

Risk evaluations and risk management

Key guidelines:

- Decision-making model and authorisations
- Financial policy
- Control model for procurement and partner management (cooperation with suppliers, selection of suppliers, criteria for suppliers, selection of partners)
- Insurance management system, evaluation and responsibilities
- Internal control system

Process management model

- Ownership of key processes, monitoring and development model, and indicators

Financial and operational reporting

- Balance between leading and lagging indicators



MANAGEMENT OF KEY RISKS

Risk	Description of risk	Control measures
Regulatory risk	A risk that actions by authorities, political decisions, or legislative changes hinders urban development and compromises SATO's operational prerequisites.	<ul style="list-style-type: none"> • Continuous communication with authorities • Advocacy in housing policy • Active monitoring of legislative change initiatives
Cyber risk	A risk that IT systems become unavailable for several days, halting operational activities or resulting in the loss of critical information, such as personal data, to an external party. The consequences of a cyberattack could include operational disruption, damage to the company's reputation, or fines imposed by authorities	<ul style="list-style-type: none"> • Centralised IT decision-making • Staff training, access restrictions, and minimising software usage • Regular updates to security software and the use of third-party service providers to prevent security breaches
The repair backlog becomes too large	A risk that SATO's housing assets are not repaired in a controlled, systematic, and timely manner, leading to negative impacts on residents' comfort and health, SATO's reputation, the rental potential and pricing of the apartments, and consequently, the value development of the assets.	<ul style="list-style-type: none"> • Active updating of long-term repair plans • Dividing renovations into life cycle-based partial repairs • Divestment of individual properties
Market risk	A risk that the construction of new apartments could lead to supply exceeding demand. This leads to vacancies in rental apartments and creates pressure to even out or lower the rent level especially for the old housing portfolio.	<ul style="list-style-type: none"> • Close monitoring of the city planning development and construction projects of different areas • Placing special focus on the microlocation of new investments • Carrying out renovations of existing housing assets in line with renovation plans • Targeted marketing measures
Finland's economic situation weakens, and affects the housing market and customers' ability to meet their obligations	A risk that a weaker-than-expected economic situation in Finland will be reflected in the housing markets through reduced market demand, weakened solvency among the customer base, increased credit losses, lower market rents, and consequently, a decline in the value of SATO's housing assets.	<ul style="list-style-type: none"> • Sufficient financial reserves and liquidity buffers • Development of the housing portfolio: investments (procurement and repairs) and divestments • Sensitivity analyses • Allocation of new investments/microlocation strategy • Customer selection process and active monitoring of payment behaviour • More efficient debt recovery • Customer advisory services
Reputation risk	A risk that SATO's reputation is damaged, for example, due to non-compliance with data protection regulations, due to partners not operating in accordance with SATO's requirements, or due to neglected repairs leading to health issues for customers. A risk that SATO does not operate responsibly or that irresponsible activities in the real estate sector ruin the reputation of the entire industry. A risk that a major player or players in the sector face financial difficulties, which could also impact the value of other stakeholders' housing assets.	<ul style="list-style-type: none"> • Compliance with the data protection policy in the company's and partners' business activities • Extending SATO's operating model to partners' activities • Regular updates to and compliance with the long-term renovation plan • Acting in accordance with SATO's sustainability programme and focusing on topics identified as material based on stakeholder dialogue • In-depth and close monitoring of partners' financial situations • Regular communication with partners' management teams • Contingency planning for partners' potential problem situations

Risk	Description of risk	Control measures
Personnel risk	A risk that human resources are not managed efficiently or that SATO is unable to recruit, train and retain personnel with the right kind of experience and competence. A risk that competence is concentrated and the related key personnel risk.	<ul style="list-style-type: none"> • Strengthening SATO’s leadership culture and practices • Enhancing the SATO brand • Internal training
Significant difficulties in the availability and price of financing	A risk that current funding sources are unable to meet SATO’s financing needs. The key risks include reduced availability of financing and a dramatic surge in the financing costs due to developments in the market environment, weakened lending capacity of banks, and decreased demand in both domestic and international bond markets.	<ul style="list-style-type: none"> • A diversified financing mix • Sufficient financial reserves • Maintaining an investment-grade credit rating • Utilising collateral in securing financing
Risks resulting from climate change	<p>Risks resulting from climate change include physical risks, risks resulting from the transition to a low-carbon economy and social risks. Physical risks can be acute (e.g. extreme weather phenomena) or chronic (irreversible climate change). Transition risks result from changes in legislation, the markets, technology and reputation. Social risks result from changes in consumer expectations and lifestyle.</p> <p>More detailed descriptions of the risks are presented in SATO’s Sustainability Report.</p>	<ul style="list-style-type: none"> • Identifying and assessing climate change risks and opportunities and preparing scenario analyses regularly • Reporting under the TCFD framework • Minimising the construction of heated spaces (space efficiency) and maximising energy-efficient solutions, transitioning to renewable energy sources, including the increased use of cooling solutions, weather-resistant design guidelines for buildings and renovations, including material choices and climate-friendly planning. • Operating in line with SATO’s sustainability programme and communicating on it openly and transparently <p>More detailed measures are presented in SATO’s Sustainability Report.</p>
Geopolitical risk	Geopolitical risks include, for example, wars, tensions between states, changes in international commitments, attempts to reshape the international system in opposition to shared goals or to support individual objectives, broad influence efforts, and new methods of interference, such as hybrid influencing, migration, data, and technology.	<ul style="list-style-type: none"> • Sufficient financial reserves • Maintaining an investment-grade credit rating • Ensuring cybersecurity
Segregation risk	The risk that disadvantage, exclusion, and gang activity increase and become concentrated in specific properties or neighbourhoods, leading to situations that may pose safety threats to residents and personnel. This can result in higher turnover rates, lower occupancy rates, declining rents, and ultimately a decrease in property values.	<ul style="list-style-type: none"> • Following property-specific strategies in sales and customer selection • Providing housing counselling

SUSTAINABILITY MANAGEMENT AT SATO

Our sustainability efforts are governed by the company strategy and our sustainability programme for 2023-2026. We aim for long-term, sustainable and profitable business. We operate in an ethical and responsible manner in matters related to people, the economy, society and the environment. We comply with laws, regulations and internal guidelines, the most important of which are the [sustainability programme](#), [Code of Ethics](#) and the [whistleblowing policy](#).

We report on our operations comprehensively, in accordance with approved international accounting standards, the Finnish Corporate Governance Code and the Global Reporting Initiative' (GRI) standards as applicable to us. The environmental responsibility information contained in our sustainability report is verified. We report on and address climate-related risks and opportunities in line with the TCFD framework. In our own sustainability goals, we have committed to the UN Sustainable Development Goals (SDG).

Sustainability management and implementation

SATO's Board of Directors makes the strategic policies and decisions concerning sustainability and approves the sustainability programme and the sustainability report. The Board of Directors discusses the organisation's impacts on the environment and society at least once a year when it approves the report of the Board of Directors. In addition, once a year, the Board of Directors reviews the internal control and risk management principles, monitors their implementation and assesses the efficiency of the processes. Climate-related risks are addressed by the Board of Directors twice a year. The Board of Directors takes sustainability criteria into account when making investment decisions.

The Corporate Management Group processes all key corporate management matters, such as those related to the Group's strategy, budget, investments, operational planning and financial reporting. The Corporate Management Group also executes the

Board's decisions. SATO's organisational units have their own management teams, which are responsible for the preparation and execution of matters. SATO's CEO is responsible for executing the Board of Director's policies and, with the assistance of the Corporate Management Group, monitors the implementation of sustainability aspects in the business in line with the Board of Directors' decisions. In the Corporate Management Group, the Chief Financial Officer is responsible for sustainability matters. Information on sustainability is distributed in the organisation through active communications.

The Sustainability Manager is responsible for the implementation and development of sustainability work. The Sustainability Manager coordinates the preparation and implementation of the measures in accordance with the sustainability programme, supports the units in sustainability matters and promote the enhancement of sustainability expertise within the organisation. The Sustainability Manager reports at least quarterly to SATO's Corporate Management Group.

The sustainability steering group addresses sustainability development matters four to six times a year across organisational boundaries, monitors the achievement of targets and discusses sustainability topics raised by SATO employees. The sustainability steering group supports the units in sustainability matters and takes sustainability work forward in their own units and at SATO as a whole. The Sustainability Manager coordinates the activities of the steering group. Practical measures and development targets related to sustainability are included in the units' action plans, which are monitored by the unit heads together with the sustainability steering group. In addition to the sustainability work performed in the units, SATO has teams that work across organisational boundaries, promoting sustainability work and reporting on their work and progress made in the targets to the sustainability steering group.



CORPORATE GOVERNANCE STATEMENT 2024

1. INTRODUCTION

The governance of SATO Corporation (“SATO” or “Company”) is based on legislation applicable in Finland and SATO’s Articles of Association. The Company also complies with the recommendations of the Corporate Governance Code 2025 issued by the Finnish Securities Market Association (apart from the procedure concerning remuneration of the President and CEO mentioned in recommendation 22) as well as with SATO’s internal guidelines. The Corporate Governance Code is available on the Finnish Securities Market Association website www.cgfinland.fi/en/.

Since SATO’s shares are not publicly listed, legislation does not require SATO to have either the remuneration policy or the remuneration report referred to in the Corporate Governance Code 2025. While SATO does not prepare the said documents, it prepares a remuneration statement in accordance with the Corporate Governance Code 2015. The parent company of SATO, Fastighets AB Balder, is listed on the Stockholm Stock Exchange and it prepares the instructions, policies and reports regarding the remuneration of management as required by Sweden’s legislation and Corporate Governance Code at any given time, which may also include information on the remuneration of SATO’s management.

SATO has issued corporate bonds which are listed on Euronext, and the Company complies with the rules and regulations of the exchange for listed bonds as well as with the EU Market Abuse Regulation, securities markets legislation and the regulations of supervisory authorities.

SATO prepares its consolidated financial statements as well as its interim reports and half-year financial reports in accordance with the International Financial Reporting Standards (IFRS) approved in the EU. The report of the Company’s Board of Directors and the financial statements of the parent company of SATO Group are prepared in accordance with Finnish

accounting legislation. An independent external appraiser is commissioned to issue a statement on the values of SATO’s housing portfolio and the appropriateness of the methods used to assess the values.

This statement is published separate from the Report of the Company’s Board of Directors, and it was considered by the Board of Directors at its meeting on 6 February 2025.

2. DESCRIPTIONS CONCERNING CORPORATE GOVERNANCE

Control and governance in the Company are divided between the Annual General Meeting, the Board of Directors, and the President and CEO. The President and CEO implements the operative business with the assistance of the Corporate Management Group. Internal audit, which reports to the Board of Directors, is responsible for internal auditing while auditors are responsible for the external audit.

Annual General Meeting

The general meeting of shareholders is SATO’s highest governing body. The Annual General Meeting (“AGM”) shall be held once a year, within six months of the end of the financial period. An extraordinary general meeting shall be held when considered necessary by the Board of Directors or required under the Finnish Limited Liability Companies Act (“Companies Act”).

The AGM decides on the matters that fall within its competence by virtue of the Companies Act and the Company’s Articles of Association. These include adoption of the Company’s financial statements and consolidated financial statements, the use of the profit shown on the balance sheet, the discharge of the members of the Board of Directors and the President and CEO from liability, the remuneration and appointment of the members and Chair of the Board of Directors, and appointment of the auditor. The meeting may also discuss other matters which under the

Companies Act are to be dealt with at a general meeting, such as share issue, acquisition of the Company’s own shares and amendments to the Articles of Association. The meeting furthermore discusses matters which a shareholder has requested to be discussed at a general meeting, as provided in the Companies Act. The resolutions of general meetings are published as a stock exchange release without delay following the meeting.

SATO has a single series of shares. Each share confers one vote at a general meeting. The right to attend general meetings is held by shareholders who are entered in the register of shareholders maintained by Euroclear Finland eight working days before the general meeting. The Companies Act also contains provisions concerning nominee-registered shareholders attending a general meeting.



In order to ensure dialogue between shareholders and Company bodies and to fulfil the shareholders' right to request information, the President and CEO, Chair of the Board of Directors and the Board members are present at the AGM. A candidate for a Board membership must be present at the general meeting where the decision on their appointment is made.

The Company's AGM was held on 21 March 2024. It was attended by a total of 13 shareholders representing 36.16% of the Company's shares and votes. The minutes of the AGM are available for review on the Company's website at [Annual General Meeting, notices and minutes](#).

Shareholders' Nomination Committee

The AGM resolved on 3 March 2015 to establish a Shareholders' Nomination Committee and approved its rules of procedure. The duties of the Committee are to prepare proposals for the AGM concerning the number and appointment of the members of the Board of Directors, appointment of the Chair of the Board of Directors, and the remuneration of Board members. The Committee's rules of procedure are available for review on SATO's website at [Rules of Procedure](#).

The Committee's term of office begins in October each year, once the largest shareholders have nominated their representatives, and ends at the closing of the next AGM. The shareholder shall nominate as member of the Nomination Committee a person who is independent of the company.

The Shareholder's Nomination Committee consists of representatives of SATO's four largest shareholders registered in the book-entry system on 1 October, who accept the task. Where a shareholder declines to exercise its right of nomination, the right transfers to the next largest shareholder. The fourth largest shareholder of the Company on 1 October 2024, the State Pension Fund, did not exercise its nomination right and consequently, the right transferred to the fifth largest shareholder, Erkkä Valkila.

The Chair of the Company's Board of Directors serves on the Shareholders' Nomination Committee as an expert member. The Committee elects one of its members to serve as Chair.

The Shareholders' Nomination Committee consisted of the following representatives nominated by the following shareholders:

Balder Finska Otas AB
(holding on 1 October 2024: 48,483,564 shares, 57.0%)
Erik Selin, Chair. For more information on the member, please see the section "Board of Directors"

Stichting Depository APG Strategic Real Estate Pool
(holding on 1 October 2024: 19,217,470 shares, 22.6%)
Ming Eng. For more information on the member, please see the section "Board of Directors"

Elo Mutual Pension Insurance Company
(holding on 1 October 2024: 10,849,621 shares, 12.8%)
Niko Syrjänen (m)
(M.Soc.Sc.), born 1974
Head of Equities, Elo Mutual Pension Insurance Company
No shareholdings in SATO Group companies

Erkka Valkila (m)
(holding on 1 October 2024: 385,000 shares, 0.5%)
Engineer, born 1953

The Shareholders' Nomination Committee made its decisions in one meeting held during the term of office starting on 1 October 2024. All members of the Committee participated in the decision-making.

Board of Directors

The general meeting appoints no fewer than five and no more than nine members to the Board of Directors and appoints one member of the Board of Directors to serve as Chair of the Board. The general meeting also decides on the remuneration of the Chair, Vice Chair and members of the Board of Directors. The

Board of Directors appoints one of its members to serve as Deputy Chair. The term of office of the members of the Board of Directors expires at the closing of the AGM first following their appointment.

The AGM of 21 March 2024 appointed six members to the Board of Directors. All appointed members, with the exception of Ming Eng, already served as Board members prior to the AGM. The shareholdings of the Board members as at 31 December 2024 are presented below.

Appointed as Chair of the Board of Directors was

Erik Selin (m)
born 1967, Swedish national
Managing Director, Fastighets Ab Balder
Degree in business economics

- no shareholdings in SATO Group companies
- no holdings in SATO Group companies through controlled entities

– Selin holds 63,000 series B shares in Fastighets AB Balder. In addition, Erik Selin Fastigheter AB, an entity wholly owned by Erik Selin, holds 343,202,400 series B shares and 49,855,968 series A shares in Fastighets AB Balder, representing 34.1% of the share capital and 47.8% of the votes. Erik Selin is the CEO of Fastighets AB Balder and a member of its Board of Directors. Fastighets AB Balder is the ultimate parent company of SATO Corporation.

Appointed as members of the Board of Directors were

Ming Eng (m)
born 1990, Dutch national
Senior Portfolio Manager Real Estate Europe,
APG Asset Management
Master of Science, Management Science

- no shareholdings in SATO Group companies
- no holdings in SATO Group companies through controlled entities

Esa Lager (m)
born 1959, Finnish national
Board professional LL.M., M.Sc.(Econ.)

- no shareholdings in SATO Group companies
- no holdings in SATO Group companies through controlled entities

Tarja Pääkkönen (f)
born 1962, Finnish national
Board professional
D.Sc. (Corporate strategies), M.Sc. (Construction)

- no shareholdings in SATO Group companies
- no holdings in SATO Group companies through controlled entities

Sharam Rahi (m)
born 1973, Swedish national
Deputy CEO, Fastighets AB Balder

- no shareholdings in SATO Group companies
- no holdings in SATO Group companies through controlled entities

– Sharam Rahi holds 3,616,932 series B shares in Fastighets AB Balder. In addition, a company wholly owned by Sharam Rahi holds 5,580,868 series B shares in Fastighets AB Balder. The holdings represent 0.8% of the share capital and 0.5% of the votes in Fastighets AB Balder. Sharam Rahi is the Deputy CEO of Fastighets AB Balder.

Timo Stenius (m)
born 1956, Finnish national
Board professional M.Sc. (Constr. Eng.)

- no shareholdings in SATO Group companies
- no holdings in SATO Group companies through controlled entities

The Board of Directors appointed Esa Lager as its Vice Chair.

The majority of the Board of Directors must be independent of the Company. At least two Board members who are independent of the Company must also be independent of the significant

shareholders in the Company. The Board of Directors assesses the independence of its members and declares which of the members of the Board of Directors are considered independent of the Company, and which independent of the significant shareholders.

The Board of Directors conducted its assessment of the independence of the members of the Board of Directors at its meeting held following the AGM on 21 March 2024. All members of the Board of Directors except Sharam Rahi are independent of the Company. Esa Lager, Tarja Pääkkönen and Timo Stenius are also independent of the significant shareholders. Ming Eng, Sharam Rahi and Erik Selin are not independent of the significant shareholders.

The Company's Board of Directors shall see to the administration of the Company and the appropriate organisation of its operations. It is the duty of the Board of Directors to promote the interests of the Company and all its shareholders

The Board of Directors convened 11 times in 2024. An average of 92.42% of Board members attended the meetings. Board members' attendance at the meetings was as follows: Erik Selin 9/11, Ming Eng 8/9, Esa Lager 11/11, Tarja Pääkkönen 11/11, Sharam Rahi 10/11, Timo Stenius 11/11, and Johannus (Hans) Spikker (member of the board until 21.3.2024) 1/2. A report of the CEO on current issues and a report on the financial position of the Company are presented to meetings of the Board of Directors for their consideration. In 2024, the focus in Board work was on the monitoring of the Company's business profitability and financial position. The auditor's findings are presented to the Board of Directors in connection with the consideration of the financial statements, interim reports and half-year financial report.

SATO's Board of Directors has adopted rules of procedure covering the duties, meeting practices and decision-making procedures of the Board of Directors. These rules of procedure are available on the Company's website at [Rules of Procedure](#). In addition to matters for decision, the Board is also presented with

up-to-date information on the Company's operations, financial position and risks at its meetings.

In addition to its duties under the Finnish Limited Liability Companies Act, the Board of Directors also decides on matters which, considering the extent and size of the Group's operations, have considerable importance for the Group's business. The duties of the Board of Directors include:

1. adopting the Group's business strategy and monitoring its implementation
2. adopting and monitoring the annual budget and the business plan
3. discussing the Company's financial statements and report of the Board of Directors as well as the interim reports and half-year financial reports
4. monitoring the sustainability reporting
5. adopting the Company's dividend policy and financial targets
6. organising and overseeing risk management, internal control and internal audit
7. making decisions regarding SATO Group's financing
8. making decisions on significant investments and divestments

The Board of Directors also appoints and dismisses the Company's President and CEO and, when necessary, their deputy, as well as the members of the Corporate Management Group, and determines the terms of their employment or service as well as their remuneration schemes.

The duty of the Board of Directors is to promote the best interests of the Company and all its shareholders. At the Company, the members of the Board of Directors do not represent the interests of the parties which nominated them for appointment to the Board.

The Board of Directors performs an annual internal self-assessment of its activities and its ways of working. The purpose of the self-assessment is to review the Board's performance during the year and to serve as a basis for evaluating the Board's procedures. The Board of Directors conducted its self-

assessment for 2024 in January 2025, and the summary of the assessment was considered at the meeting of the Board in February.

Diversity of the Board of Directors

The diversity of the Board of Directors supports the Company's business, its development and thus the success of the Company. Diversity strengthens the work of the Board of Directors by giving voice to the views of people of different ages, different educational backgrounds and different experience concerning the Company's development and the management of its business. Diversity increases open discussion and strengthens the decision-making of the Board members.

When preparing a proposal to the AGM concerning the number of Board members and the persons to be appointed as members and Chair, the Shareholders' Nomination Committee must take into account the requirement for diversity. The Committee must evaluate the requirements set for the number of Board members and their competence by the Company's current situation, taking into account aspects such as the experience of the Board members, their knowledge of SATO's business, their education, and their age and gender distribution. A member of the Board of Directors must have the possibility to devote a sufficient amount of time to Board work. The number of Board members must be sufficient. Board members must have different skills to support the implementation of the Company's current strategic targets. A further key duty of the Board is to support and challenge SATO's management from various perspectives.

The requirements for diversity have been implemented in the composition of SATO's Board of Directors. The members of SATO's Board possess complementary and supportive experience and education relative to their colleagues. The members of SATO's Board hold degree in technology, business, economics or law. The Board members have experience in management functions and board memberships at major companies as well as companies operating internationally. Extensive experience in housing investment, financing and consumer business is represented on SATO's Board. Both

genders (16.67% women and 83.33% men) are represented on the Board of Directors, and the age of Board members ranges from 34 to 68. The members have served on the Board for an average of eight years.

Committees of the Board of Directors

At the inaugural meeting held after the AGM, the Board appoints the Personnel and Remuneration Committee. The committee is composed of 3–5 members selected by the Board from among its members, with one member serving as the chair.

The rules of procedure for the committees at any given time are adopted by the Board of Directors. The committees have no independent decision-making authority. Their duty is to prepare matters for decision by the Board of Directors and the AGM, and they report constantly on their actions to the Board of Directors. The rules of procedure are available on the SATO website at [Rules of Procedure](#).

In 2024, the HR and Remuneration Committee consisted of Chair Erik Selin, and members Johannus (Hans) Spikker (until 21.3.2024), Ming Eng (since 21.3.2024) and Tarja Pääkkönen. All Committee members are independent of the Company and Tarja Pääkkönen is also independent of the significant shareholders. During 2024 the Committee held two meetings. All members at the time attended both meetings except for Johannus (Hans) Spikker, who did not attend the meetings.

President and CEO

The President and CEO is responsible for the management and planning of the Group's business operations and for the attainment of its goals. They are responsible for preparing matters for the Board of Directors' attention and for executing the decisions of the Board. The President and CEO sees to the executive management of the Company in accordance with the instructions and orders given by the Board of Directors. The President and CEO serves as Chair of the Corporate Management Group. The Board of Directors appoints and dismisses the Company's President and CEO.

Since 18 December 2020, SATO's President and CEO has been Antti Aarnio, M.Sc. (Tech.) (born 1972).

Corporate Management Group

The Corporate Management Group assists the President and CEO in the planning and management of operations and in decision-making. The Corporate Management Group deals with all key issues for the management of SATO Group, such as matters related to the strategy, budgeting, investments, business planning, and financial reporting.

The Corporate Management Group's duties include the implementation of the decisions of the Board of Directors under the leadership of the President and CEO. The Corporate Management Group has no authority under law or the Articles of Association; it serves as a body to assist the President and CEO. The shareholdings of the members of the Corporate Management Group are presented as at 31 December 2024.

At 31 December 2024 the Corporate Management Group consisted of:

Antti Aarnio (m)
President and CEO, Chair of the Corporate Management Group
born 1972, M.Sc. (Tech.)
member of the Corporate Management Group since 2016

- no shareholdings in SATO Group companies
- no holdings in SATO Group companies through controlled entities

Arto Aalto (m)
Executive Vice President, Investments
born 1966, B.Eng.
member of the Corporate Management Group since 2022

- no shareholdings in SATO Group companies
- no holdings in SATO Group companies through controlled entities

Markku Honkasalo (m)
Chief Financial Officer
born 1964, LL.M., eMBA
member of the Corporate Management Group since 2016

- no shareholdings in SATO Group companies
- no holdings in SATO Group companies through controlled entities

Laura Laamanen (f)
Chief Commercial Officer
born 1972, M.A.
member of the Corporate Management Group since 2023

- no shareholdings in SATO Group companies
- no holdings in SATO Group companies through controlled entities

Elina Vaurasalo (f)
Executive Vice President, Housing Business
born 1974, M.Sc.
member of the Corporate Management Group since 2022

- no shareholdings in SATO Group companies
- no holdings in SATO Group companies through controlled entities

In 2024, the Corporate Management Group convened weekly for a total of 45 meetings. Meetings were also attended by VP, General Counsel; VP, Human Resources; Director, Business Development; and Chief Digital Officer (CDO).

The focus areas of the Corporate Management Group in 2024 were rents and occupancy rate, maintenance costs, repair investments, resourcing, sustainability themes, improvement of customer experience and utilization of AI. In addition, there are management groups in the various areas of business and financing which focus on the monitoring, development and supervision of their respective areas of responsibility.

3. DESCRIPTIONS OF INTERNAL CONTROL PROCEDURES AND THE MAIN FEATURES OF THE RISK MANAGEMENT SYSTEM

Group financial reporting

The financial reporting of SATO is based on SATO's management model. The financial result of the Group is reported and analysed internally on a monthly basis. Public financial reporting includes interim reports, the half-year financial report and the financial statement release which the Board of Directors approves for publication.

Overview of the risk management systems

SATO's risk management is based on the risk assessment embedded in the strategic and annual planning process. This assessment also covers the risks of the financial reporting process. The risk assessment includes actions to mitigate the risks. Business risks include strategic and operative risks as well as financing and market risks. In 2024, particular attention was paid to monitoring and controlling risks related to financing.

The organisation and supervision of risk management is the responsibility of the Company's Board of Directors and the President and CEO. Internal audit and internal control support the Board of Directors in performing its duty of supervision.

Internal control

Internal control aims to ensure the effective, profitable and reliable operations of the Group, and compliance with legislation and other rules and regulations. In its activities, SATO is moreover guided by its internal instructions, such as the Code of Ethics. SATO seeks to ensure that all SATO employees are familiar with the regulations and principles applicable to their work and comply with these. SATO organises regular training on internal instructions, and these are also an essential element in new employee onboarding.

The Group's internal control systems serve, among other things, to verify that the financial reports disclosed by the Company provide in all material respects true and accurate information

about the Group's financial position. Group-wide principles and policies which form the basis for internal control have been defined by the Group for its key areas of operations.

Each of SATO's business units has its own controller function to ensure that financial reporting is in line with regulations and Group instructions. The organisation of internal control is the responsibility of the Board of Directors and the President and CEO who implements the Board's decisions. Board members are provided with regular reports on the Group's financial position and operating environment. The Board oversees the effectiveness of internal control and the accuracy of financial reporting.

Responsibility for the performance of internal control is held by the operational organisation of the entire Group in such a way that Group employees are responsible to their supervisor at all times for the supervision of their particular sphere of responsibility.

The content of the financial reporting process and compliance with regulations are the responsibility of the Group's financial administration. The Group's financial reporting process complies with the Group's operational guidelines and process descriptions. Control measures to ensure reporting quality are in place. The controls on the reporting process have been determined on the basis of a control risk assessment matrix. The types of controls include system controls, reconciliations, and audits or actions carried out by management or another party. Responsible parties have been designated for controls and these are responsible for the implementation and effectiveness of the controls.

The monitoring and application of accounting standards has been consolidated in the hands of the Group's financial administration, which maintains operating guidelines, process descriptions, calculation manuals and control mechanism descriptions concerning financial reporting, and is in charge of the associated in-house communications. The Group's financial

administration also oversees compliance with these instructions and procedures.

The monitoring of the budgeting and reporting processes is based on the Group's reporting principles, which are defined and centrally maintained by the Group's financial administration. The principles are applied uniformly throughout the Group, and a standardised Group reporting system is in use.

The Group's treasury policy, adopted by SATO's Board of Directors, is observed in the management of financial risks.

SATO's IT management, in cooperation with the business units, uses a cybersecurity governance model to monitor information security in the organisation. Information security at SATO is risk-based and it is overseen by a steering group. Information security audits are one of the ways used to monitor information system use.

4. OTHER INFORMATION TO BE PROVIDED IN THE CG STATEMENT

Internal audit

Internal audit enhances the Board of Directors' performance of its duty of supervision. Internal audit acts in accordance with the annual plan adopted by the Board of Directors. Audit objects are selected in accordance with the Group's strategic targets, estimated risks and focus areas.

In 2024, internal audit carried out three extensive audits. Internal audit independently and systematically assesses the effectiveness, efficiency and appropriateness of the Group's management and governance systems as well as the business processes and risk management. In its reports, internal audit makes recommendations for the improvement of systems and processes.

The objective of internal audit is to provide reasonable assurance in the accuracy of financial and business reporting, the appropriate management of the Company's assets and the lawfulness of the Company's activities. In addition, internal audit aims to promote the development of risk management. Administratively, the person in charge of internal audit reports to the Chief Financial Officer, and reports internal audit findings to the President and CEO as well as the Board of Directors.

Related party transactions

The individuals specified in the SATO Corporation Related Party Instructions must report their related party transactions to the Company in writing. The report must be submitted for approval prior to undertaking the related party transaction.

In the case of major transactions, the Board of Directors will decide whether to approve the reported related party transaction. In the case of transactions that are a part of SATO's regular business, or minor transactions valued at less than EUR 10,000, approval can be decided by the Chair of the Board, the President and CEO or the CFO.

The rules for conflicts of interest are observed in decision-making. However, no approval is required for ordinary contracts concerning the leasing of apartments. When considering decisions, account is taken of the closeness of the related party relationship and the size of the transaction. Other aspects considered are any deviations from market conditions, whether the transaction is a part of SATO Group's daily business, whether there are financial grounds for the transaction and whether the transaction is acceptable from the viewpoint of SATO Group.

Insider administration

SATO's rules concerning insider trading are based on the EU's Market Abuse Regulation (596/2014, "MAR") and the Finnish Securities Markets Act. The rules comply with the standards of the Finnish Financial Supervisory Authority and the guidelines of the Euronext Stock Exchange to the extent they apply to an issuer of listed bonds.

The insider guidelines include, among other things, guidelines concerning trading in SATO's financial instruments. SATO has no permanent insiders and it does not maintain a list of permanent insiders. A project-specific list of insiders is established by decision of the President and CEO or, when the President and CEO is absent or prevented, of the CFO.

In particular, any information that concerns the ability of SATO and the SATO Group to fulfil their commitments in respect of issued bonds constitutes insider information. At SATO, persons discharging managerial responsibilities, within the meaning of MAR, comprise the members of the Board of Directors and the President and CEO. SATO maintains a list of them and persons closely associated as defined in MAR.

SATO managers are prohibited from trading in SATO's financial instruments during the closed period starting 30 days prior to the publication of SATO's financial statements or interim report and ending at the closing of the publication day. Also persons who participate in the preparation or publication of the financial statements or interim reports are prohibited from trading in SATO's financial instruments during the closed period.

A separate register of persons acting in the informative core is maintained of these persons. Managers and their closely associated persons must notify SATO and the Finnish Financial Supervision Authority of all transactions conducted with SATO's financial instruments within three working days of the transaction.

Audit

The AGM appoints for the Company a single auditor, which must be an audit firm approved by Auditor Oversight at the Finnish Patent and Registration Office. The auditor's term of office is the financial period and the duties of the auditor expire at the closing of the AGM first following their appointment.

The auditor for the financial period of 1 Jan – 31 Dec 2024 was Deloitte Oy with Aleksi Martamo, APA as principal auditor. The audit examines the accounts, financial statements and governance of the Company and Group.

In 2024, the auditor Deloitte Oy was paid EUR 206,065 in auditing fees, EUR 51,500 in fees for other services related to auditing, and EUR 0.00 in fees for other consulting services (including all companies belonging to the same Group or chain).

REMUNERATION STATEMENT 2024

1. MEMBERS OF SATO'S BOARD OF DIRECTORS

1.1 Decision-making procedure

The remuneration payable to the members, Deputy Chair and Chair of the Board of Directors of SATO Corporation (hereinafter "SATO") is decided by the SATO shareholders at the Annual General Meeting. The remuneration proposal, together with a proposal for the appointment of Board members and the Chair of the Board of Directors, is prepared by the Shareholders' Nomination Committee consisting of representatives of SATO's four largest shareholders registered in the book-entry system at 1 October, provided the said shareholders have accepted the assignment.

SATO's Annual General Meeting ("AGM") held on 21 March 2024 decided that the following annual remuneration be paid for the term of office starting at the close of the AGM and ending at the close of the AGM in 2025:

- Chair of the Board of Directors, EUR 38,000;
- Deputy Chair of the Board of Directors EUR 23,000; and
- other members of the Board of Directors, EUR 19,000 each.

In addition, the AGM resolved that a meeting fee of EUR 500 per meeting be paid to the Chair, Deputy Chair and members of the Board of Directors for meetings of the Board of Directors and its committees. This remuneration is in line with the remuneration paid to Board members for the previous term of office.

1.2 Fees paid to members of the Board of Directors in 2024

The following fees were paid to members of SATO's Board of Directors during the financial period of 1.1.-31.12.2024:

Erik Selin, Chair of the Board of Directors	45,000 €
Esa Lager, Deputy Chair of the Board of Directors	29,500 €
Ming Eng	18,250 €
Tarja Pääkkönen	26,500 €
Sharam Rahi	25,000 €
Timo Stenius	25,500 €
Johannus (Hans) Spikker	7,250 €

Fees paid to Board members in 2024 totalled EUR 177,000.

During the financial period, no shares or share-based rights were issued to Board members as fees.

2. PRESIDENT AND CEO AND OTHER GROUP MANAGEMENT

2.1 Decision-making procedure

The terms of employment or service of the President and CEO and the Corporate Management Group of SATO, their remuneration and the criteria of their annual bonus schemes and long-term incentive schemes as well as the amount of bonuses payable on the basis of the schemes and the manner and time of payment of these bonuses are decided by SATO's Board of Directors on the basis of proposals by the HR and Remuneration Committee (formerly the Nomination and Remuneration Committee).

Individuals employed by SATO Group do not receive any separate compensation for serving as a member of the Board of Directors or as CEO in the subsidiaries of the Group.

2.2 Service contract of the President and CEO

A written service contract has been concluded between SATO and its President and CEO Antti Aarnio. According to this contract, the President and CEO receives a monthly salary divided into a monetary component and customary fringe benefits. The President and CEO is covered by the annual bonus and/or long-term incentive schemes in place at SATO at any given time, as decided by SATO's Board of Directors.

There is a six-month notice period when the service contract is terminated by the President and CEO. If the contract is terminated by SATO, Aarnio is entitled to six months' salary for the notice period as well as severance pay equal to six months' salary.

3. REMUNERATION SCHEMES

The objective of incentive schemes is to align the objectives of shareholders and key individuals to increase the company's value, improve the Group's competitiveness and ensure long-term financial success.

SATO has in place the following remuneration scheme concerning 2024: The members of the Corporate Management Group and certain designated key individuals of the Group are covered by an annual bonus scheme. The bonus scheme for 2024 includes Group-level targets (60%) and individual targets (40%). Payment of the bonus requires the lower limit of all Group-level targets to be reached.

The Board of Directors approves the criteria for annual bonuses, the individuals covered by them, and the payment of the bonus. In the highest payment segments, annual bonuses are paid in two parts: the first part in the year following the earning period, the second part two years after the earning period to those individuals who are in the employ of SATO at the time of payment.

4. SALARIES AND FEES PAID TO THE PRESIDENT AND CEO IN 2024

President and CEO Antti Aarnio was paid a salary of EUR 329,921, of which monetary salary accounted for EUR 313,504 and fringe benefits for EUR 4,153. In addition, he was paid a bonus of EUR 12,264.

BOARD OF DIRECTORS



ERIK SELIN

born 1967, B.Sc. (Econ.), Board member since 2015, Chair of the Board since March 2016, independent of the company, not independent of its main shareholders.

Primary working experience:

Fastighets AB Balder: CEO and Board Member since 2005
Owner of several companies in real estate business.

Main positions of trust:

Brinova Fastigheter AB: Chair of the Board of Directors
K-Fast Holding AB: Chair of the Board of Directors
Norion Bank AB: Chair of the Board of Directors
Swedish Logistic Property AB: Chair of the Board of Directors
Hedin Mobility Group AB: Member of the Board of Directors
Hexatronic Group AB: Member of the Board of Directors
Neudi & Co AB: Member of the Board of Directors



ESA LAGER

born 1959, LL.M., M.Sc.(Econ.), Board member since 2014, Chair of the Board 2015–2016, Deputy Chair of the Board 2014–2015 and 2021–, independent of the company and its main shareholders.

Primary working experience:

Outokumpu Oyj: Deputy to the CEO 2011–2013, Executive Vice President - Chief Financial Officer 2005–2013, Executive Vice President of Finance and Administration 2001–2004, Corporate Treasurer 1995–2000, Assistant Treasurer 1991–1994
Kansallis Banking Group: various specialist and managerial positions in the overseas operations of the Head Office and London Branch 1984–1990.

Main positions of trust:

Ilkka Oyj: Deputy Chair of the Board of Directors
Alma Media Corporation: Member of the Board of Directors
GRK Infra Oy: Member of the Board of Directors



MING ENG

born 1990, M.Sc., Management Science, London School of Economics, independent of the company, not independent of its main shareholders.

Primary working experience:

Senior Portfolio Manager Real Estate Europe, APG Asset Management, The Netherlands, 2022–, Research Analyst (Listed) Real Estate Europe, Morgan Stanley Investment Management, 2016–2022, Investment Analyst, UBS Group, 2013–2016.

Main positions of trust: -

BOARD OF DIRECTORS



TARJA PÄÄKKÖNEN

born 1962, Ph.D (Corp.Strategies), M.Sc. (Const. & Architecture), Board member since 2013, independent of the company and its main shareholders.

Primary working experience:

Boardman Ltd: Executive Partner, 2010–
Boardman Ltd: Executive Partner and Chairman of Brand Compass Group 2010–2019, Itella Corporation: Senior Vice President, Corporate Sales and Marketing and member of Executive Board 2005–2010, Nokia Corporation: member of the Management Board of Nokia Mobile Phones and several global Senior Vice President positions in Europe, the USA and Asia 1994–2004, Mecrator Oy (PwC): Management Consultant 1992–1994 Kienbaum KmbH, Germany: Management Consultant 1990–1992.

Main positions of trust:

Panostaja Oyj: Member of the Board of Directors United Bankers Oyj: Member of the Board of Directors GRK Infra Oy: Member of the Board of Directors



SHARAM RAHI

born 1973, Board member since 2021
Dependent on the company or its main shareholders.

Primary working experience:

Fastighets AB Balder, deputy CEO since 2005.

Main positions of trust:

Member of the Board for several Balder companies



TIMO STENIUS

born 1956, M.Sc. (Constr. Eng.), Board member since 2015, independent of the company and its main shareholders.

Primary working experience:

Elo Mutual Pension Insurance Company: Director responsible for real estate investments as well as all unlisted investments 2014–2020. Since 1990, a member of the Board of property investment and development in a listed company Polar Yhtymä Oyj and Polar Kiinteistöt Oyj, Eläke-Fennia: Director responsible for property investments, corporate financing and non-listed equity investments. Finn-Stroi Oy: Project export tasks targeted at the Soviet Union, 1982–1988.

Main positions of trust:

S-Pankki Kiinteistöt Oy: Member of the Board of Directors Tyvene Oy: Chair of the Board of Directors

CORPORATE MANAGEMENT GROUP



ANTTI AARNIO

President and CEO
born 1972, M.Sc. (Tech.), has worked for SATO since 2000

Primary working experience:

SATO Corporation: President and CEO since 2021, Acting President and CEO and EVP, Housing Business 2020–2021, Vice President, Housing Business and Investments 2016–2020 Director, Investments and divestments, Helsinki Region and St. Petersburg 2010–2016, Nordic Real Estate Partners Oy: Housing investments and investment management/managing director of Minun Koti associations 2007–2009, SATO Corporation, Housing investments: Director, SATO Asunnot 2006–2007 Real estate manager 2004–2006, Building manager 2003–2004, Project engineer 2002–2003 Administrative building manager 2000–2001.

Main positions of trust:

Member of the Board for several SATO Group companies
Helsinki Region Chamber of Commerce: Regional and housing committee, member

Shareholding in SATO: –



ELINA VAURASALO

Executive Vice President, Housing Business
born 1974, M.Sc, has worked for SATO since 2017

Primary working experience:

SATO Corporation: Executive Vice President, Housing Business since 2021, Service Director, Housing Business, 2017–2021 S-Group: Development Manager, Customer experience & analytics, 2012–2017, Kiipula Vocational Centre: Head of Business Unit, Business & administration, 2009–2012 Managing Director/Entrepreneur, Retail & import business, 2006–2009, Kesko Corporation: Development Manager; Customer experience & analytics, 2002–2006, PwC Consulting, Management Consultant, Customer management & analytics, 2001–2002.

Main positions of trust:

Member of the Board for several SATO Group companies
Rakli: Chair of the Housing Management Team

Shareholding in SATO: –



MARKKU HONKASALO

Chief Financial Officer
born 1964, LL.M., eMBA, has worked for SATO since 2016

Primary working experience:

SATO Corporation: Chief Financial Officer, since 2016, Componenta Corporation: CFO 2015–2016, Valmet Corporation: CFO 2013–2015, Rautaruukki Oyj: CFO 2009–2013, Myllykoski Corporation: Director, Administration, Legal & HR 2003–2008, Different positions in the banking sectors 1989–2003.

Main positions of trust:

Member of the Board for several SATO Group companies
Member of the Board of Directors for Index Helsinki Oy

Shareholding in SATO: –

CORPORATE MANAGEMENT GROUP



LAURA LAAMANEN

Chief Commercial Officer
born 1972, MA, has worked for SATO since 2021

Primary working experience:

SATO Corporation: Chief Commercial Officer, since 2023, Director, Marketing and Communications, 2021–2023, OP Financial Group: Business Lead, Digital Sales, 2016–2021, NearMe Services: CMO, 2014–2016, Wunderman Helsinki: Client Service Director, 2011–2014, Blyk Services: Brand and Design Lead, Brand Manager, 2011–2006, Satama Interactive: Client Manager, 2002–2006, Benefon: Export Manager, 1998–2002.

Main positions of trust: –

Shareholding in SATO: –



ARTO AALTO

Executive Vice President, Investments
born 1966, B.Eng., has worked for SATO since 2002

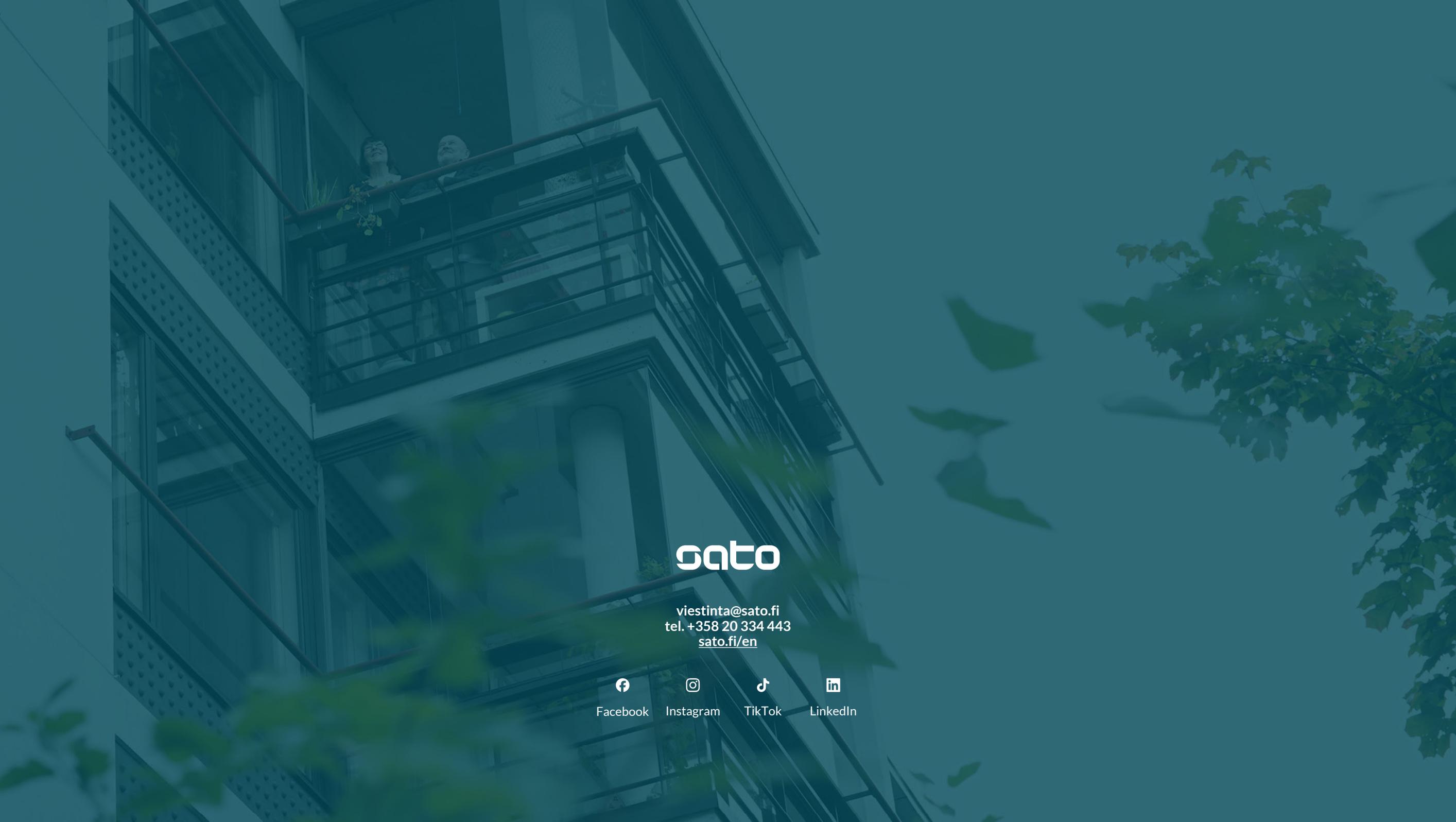
Primary working experience:

SATO Corporation: Executive Vice President, Investments, since 2020, Director, investments, planning and projects 2018–2020 Director, investments and projects 2016–2018 Regional Director Oulu and Jyväskylä 2015–2016, Regional Director Oulu 2009–2015, Construction Manager 2005–2009 Construction Engineer 2002–2005, HMR Oy: Project Director, St. Petersburg 1998–2002.

Main positions of trust:

Member of the Board for several SATO Group companies
Rakli: Member of the Urban Development and Infrastructure Management Team

Shareholding in SATO: –



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