



**Q1 INTERIM REPORT 1 JAN – 31 MAR 2025**

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## KEY FIGURES

Key figure	1-3/2025	1-3/2024	1-12/2024
Net sales, EUR million	77.2	74.7	304.1
Number of rental apartments, pcs	25,848	25,560	25,849
Investment property, EUR million	4,973.9	4,914.5	4,971.4
Housing investments, EUR million	3.9	12.8	48.6
Under construction, pcs	0	257	0
Average rent at the end of the review period, €/m <sup>2</sup> /month	18.53	18.21	18.40
Cash earnings (CE), EUR million	22.8	25.5	88.2
Shareholders' equity, EUR million	2,615.1	2,538.7	2,599.8



# SATO CORPORATION INTERIM REPORT 1 JAN – 31 MAR 2025: TIGHT COMPETITION CONTINUES – THE RENTAL MARKET REMAINS OVERSUPPLIED

## SUMMARY FOR 1 JAN – 31 MAR 2025 (1 JAN – 31 MAR 2024)

- The economic occupancy rate was 95.0% (94.9).
- Net sales totalled EUR 77.2 million (74.7).
- Net rental income was EUR 46.8 million (43.7).
- Profit before taxes was EUR 18.3 million (19.6).
- The unrealised change in the fair value of investment properties included in the result was EUR 1.4 million (1.7).
- Housing investments amounted to EUR 3.9 million (12.8).
- Invested capital at the end of the review period was EUR 4,687.6 million (4,807.5).
- Return on invested capital was 3.3% (3.0).
- Equity was EUR 2,615.1 million (2,538.7) or EUR 30.81 per share (29.91).
- Earnings per share were EUR 0.17 (0.23).
- 0 rental apartments (92) were completed.
- Renovation of 0 apartments (56) was completed.
- 0 rental apartments (257) were under construction.
- The supply of rental homes remains high in relation to demand – competition in the market remains intense.



## President and CEO Antti Aarnio:

- Inflation remained low in Finland during the period under review, but consumer confidence is still weak and expectations for personal finances and growth of the Finnish economy are subdued. Market uncertainty was exacerbated by the tariffs announced by the United States.
- The number of new rental homes constructed is now likely to have bottomed out, but recovery remains slow due to the persistent oversupply of rental homes.
- SATO's economic occupancy rate improved slightly year on year during the period under review and was 95.0% (94.9).
- Owing to the intense competitive situation, it has not been possible to transfer the higher maintenance costs seen in recent years fully into residential rents.
- February saw the successful launch of the SATO webshop for rental homes in response to growing customer demand and the market change. We are gradually stepping up our offering of homes rented through a self-service system.
- We continued to invest in locally produced renewable energy: we make use of solar power and geothermal energy at our properties. Energy efficiency is also improved through repairs based on lifecycle principles.
- We signed a EUR 150 million sustainability-linked loan facility with SMBC Bank EU AG. The facility is unsecured and has a tenor of three years with two one-year extension options.
- SATO was ranked third in Finland's Best Workplaces 2025 listing published by Great Place to Work Finland. Moving up from the year before is proof of our success in developing SATO's company culture and employee experience.
- It is SATO's 85th anniversary this year. We are celebrating our long history together with our stakeholders.
- I would like to thank everyone at SATO for persistence in a challenging market situation and our partners and residents for excellent cooperation.

## Operating environment

According to the latest Bank of Finland forecast, Finland is gradually moving out of recession. The start of economic recovery is, however, slow and affected by uncertainty over the global economic outlook. The tariff increases proposed by the United States may have a significant impact on Finland's economic growth. Estimates by the Bank of Finland and ETLA Economic Research show Finland's GDP potentially contracting by up to 0.5–1.6%.

The unemployment rate is projected to peak this year but then take a downturn, provided that the impact of the tariffs will not push the Finnish economy back into recession. In March, consumer confidence picked up slightly but still remained weak.

Expectations for personal finances as well as the Finnish economy had not improved and remained subdued. Intent to buy a home was at a level below normal.

Led by the Ministry of Finance, the RAKSU group on economic trends in construction estimates in its report published in late March that there is still a long way to go to the recovery of the housing market. The number of unsold new homes is still high, and in the rental housing market the abundant supply of homes still exceeds demand, particularly in the large growth centres of the Helsinki Metropolitan Area, Turku and Tampere.

In the years and decades ahead, the market will be balanced by population growth and urbanisation, which will create conditions for the wider commencement of newbuild construction. Recovery in construction will also be supported by pent-up housing demand, lower interest rates and slower inflation.

Owing to the intense competitive situation, it has not been possible to transfer the higher property maintenance costs seen in recent years fully into residential rents. Rents will go up in the future due to improved balance between supply and demand resulting from the decline in housing production and growing migration.

In recent years, housing construction has remained at a level below the long-term need, which may lead to a switch from oversupply to a shortage of housing in growth centres. Economic growth, urbanisation and growing immigration need to be supported by rental homes close to good public transport connections and services. Sufficient housing production, which requires a steady increase in production volumes and contributions by all housing actors, must be ensured in Finland in the decades ahead.

## Review period 1 Jan – 31 Mar 2025 (1 Jan – 31 Mar 2024)

### Net sales and profit

In January-March 2025, SATO Corporation's consolidated net sales totalled EUR 77.2 million (74.7). Operating profit was EUR 38.4 million (34.9).

Operating profit without the change in the fair value of investment properties was EUR 37.0 million (33.1). The unrealised change in fair value through profit or loss was EUR 1.4 million (1.7). Net financing expenses totalled EUR -20.1 million (-15.3). Profit before taxes was EUR 18.3 million (19.6).

Cash flow from operations (free cash flow after taxes excluding changes in fair value) in January-March amounted to EUR 22.8 million (25.5). Earnings per share were EUR 0.17 (0.23).

## Financial position and financing

The consolidated balance sheet total at the end of March was EUR 5,186.1 million (5,304.9). Equity totalled EUR 2,615.1 million (2,538.7). Equity per share was EUR 30.81 (29.91). The Group's equity ratio at the end of March was 50.4% (47.9).

EUR 150.0 million in new long-term financing was drawn and the solvency ratio at the end of March was 38.2% (39.4). The Group's annualised return on equity was 2.2% (2.5). Return on invested capital was 3.3% (3.0).

Interest-bearing liabilities at the end of March totalled EUR 2,072.6 million (2,268.7), of which loans on market terms amounted to EUR 1,972.9 million (2,158.0). The average loan interest rate was 3.6% (3.6). Net financing expenses totalled EUR -20.1 million (-15.3).

The calculated impact of changes in the market value of interest hedging on equity was EUR 0.6 million (1.2). The proportion of loans without asset-based securities was 71.1% (72.2) of all loans. At the end of March, unencumbered assets accounted for 73.7% of total assets (75.4).

## Housing business

*Our housing business includes rental activities, customer service, lifecycle management and maintenance. Our goal is to ensure quick and efficient rentals for home-seekers, while maintaining stable cash flow for the Group. We are committed to delivering an excellent customer experience through both in-person and digital interactions.*

Rental income was EUR 77.2 million (74.7). On average, the economic occupancy rate of apartments was 95.0% (94.9) and the external tenant turnover 29.6% (28.9). At the end of the reporting period, the average monthly rent of SATO rental homes was EUR 18.53 per m<sup>2</sup> (18.21). Net rental income from apartments totalled EUR 46.8 million (43.7).

## Investment properties

On 31 March 2025, SATO owned a total of 25,848 homes (25,560). The reporting period saw the completion of 0 rental apartments (92). The number of divested rental apartments was 1 (0).

## Fair value

*The development of the value of rental apartments is a key factor for SATO. Its housing stock is concentrated in areas and apartment sizes which are expected to be the focus, in the long term, of increasing rental apartment demand. The allocation of building repairs is based on life-cycle plans and repair need specifications.*

At the end of March, the fair value of investment properties came to a total of EUR 4,973.9 million (4,914.5). The change in the value of investment properties, including investments and divestments during the reporting period, was EUR 2.6 million (28.9). The value of properties funded with ARAVA loans or interest-subsidised loans would be EUR 235 million higher when valuated with the income value method.

At the end of March, the commuting zone of the Helsinki Metropolitan Area accounted for around 86.5% and Tampere and Turku together made up around 13.5% of the value of apartments.

### **Investments, divestments and property development**

*Investment activities are used to manage the housing portfolio and prepare the ground for growth. Since 2000, SATO has invested 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 the company-owned rental apartments are developed through renovation activities.*

Investments in apartments totalled EUR 3.9 million (12.8). The Helsinki Metropolitan Area represented 78.6% of all investments during the period under review. New apartments accounted for 0.0%.

On 31 March 2025, there were binding purchase agreements to a total of EUR 1.3 million (10.2). During the reporting period, 1 rental home (0) was divested. Its value was EUR 0.1 million (0.0).

The book value of the plot reserve owned at the end of March totalled EUR 63.7 million (62.1). The value of new plots acquired by the end of March totalled EUR 0.0 million (18.4). Permitted building volume for around 1,650 homes is being developed for plots in the company's housing portfolio. This allows SATO to utilise existing infrastructure, create a denser urban structure and thus bring more customers closer to services and public transport connections.

A total of 0 rental apartments (92) were completed for SATO. A total of 0 rental homes (257), were under construction on 31 March 2025. A total of EUR 5.1 million (5.0) was spent on repairing apartments and improving their quality.

### **Personnel**

At the end of March, the Group had 312 employees (319), of whom 283 had a permanent employment contract (289). The average number of personnel in January–March was 308 (319).

### **Annual General Meeting 20 March 2025**

The number of members of the Board of Directors of SATO Corporation was confirmed to be six. The Annual General Meeting re-elected Erik Selin as Chair of the Board. Esa Lager, Tarja Pääkkönen, Sharam Rahi and Ming Eng will also continue as Board members. Juha Juntunen was elected to the Board as a new member.

KHT audit firm Deloitte Ltd was re-elected as the auditor. Deloitte Ltd has announced that Alekski Martamo, Authorised Public Accountant, continues as the Key Audit Partner.

The Annual General Meeting adopted the financial statements of 1 Jan – 31 Dec 2024 and decided that no dividends be distributed by SATO Corporation for the financial period ended on 31 December 2024.

The Annual General Meeting authorised the Board of Directors to decide on the issuance of shares in one or several tranches as follows: The total maximum number of shares to be issued under the authorization is 8,506,424. The maximum number of shares corresponds to approximately 10 per cent of all shares of the company. The Board of Directors shall decide on all terms of the issuance of shares. The authorization concerns the issuance of new shares as well as the transfer of own shares held by the company. The issuance of shares may be carried out in deviation from the shareholders' pre-emptive right by way of a directed issue.

The authorization is valid until the end of the next Annual General Meeting, but in any case, no later than 30 June 2026, and revokes the authorization granted by the Annual General Meeting on 21 March 2024.

### **Organisation of the Board of Directors**

At its organisational meeting on 20 March 2025, the company's Board of Directors elected from among its number Esa Lager to serve as Deputy Chair.

Erik Selin was appointed by the Board to chair the HR and Remuneration Committee and Tarja Pääkkönen and Ming Eng to serve as Committee members.

### **Events after the review period**

No significant events after the review period.

### **Short-term risks and uncertainties**

Risk management is used to ensure that risks impacting the company's business are identified, managed and monitored.

### **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.

A more detailed description of risks and risk management is available on the company's website: [www.sato.fi/en](http://www.sato.fi/en)

### Outlook

According to the end-of-2024 forecast of the Bank of Finland, Finland is gradually moving out of recession. The start of economic recovery is, however, slow and affected by uncertainty over the global economic outlook. The tariff increases proposed by the United States may have a significant impact on Finland's economic growth. Estimates by the Bank of Finland and ETLA Economic Research show Finland's GDP potentially contracting by up to 0.5–1.6%. The unemployment rate is projected to peak this year but then take a downturn, provided that the impact of the tariffs will not push the economy back into recession.

Inflation has remained low in Finland over the period under review due to factors including the fall of the average interest rate on housing loans and interest rates on consumer credits. Consumer confidence remained weak and expectations for personal finances as well as the Finnish economy had not improved and remained subdued. Intent to buy a home was at a level below normal.

The economic uncertainty and the shadow cast over the economy by rapid trade and geopolitical changes are still slowing down recovery in construction. In addition, the number of unsold new homes is large. In the rental market, competition for good tenants continues and the imbalance between supply and demand does not currently enable any large-scale commencement of newbuild rental housing construction.

Urbanisation and immigration are continuing, and dense urban housing is still becoming increasingly popular. VTT Technical Research Centre of Finland estimates that the housing production need for the next couple of decades is up to 35,000 new homes, whereas the figure in 2023 was historically low at around 21,000.

Population growth boosted by immigration and the resulting demand for housing will focus strongly on the growing urban regions. Around 600,000–700,000 new homes should be built by 2045. Demand is projected to be highest in the Helsinki Metropolitan Area and Tampere. This trend is also reflected in growing demand for rental homes in large growth centres.

The housing production need was calculated on the basis of population projections according to which net migration will, depending on the projection, increase the population of Mainland Finland in 2045 to 5.8 million or even up to more than 6 million.

A level of housing construction below the long-term need may lead to a switch from oversupply to a shortage of housing in growth centres. Economic growth, urbanisation and growing immigration need to be supported by rental homes close to good public transport connections and services. Sufficient housing production, which requires a steady increase in production volumes and contributions by all housing actors, must be ensured in Finland in the decades ahead.

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.

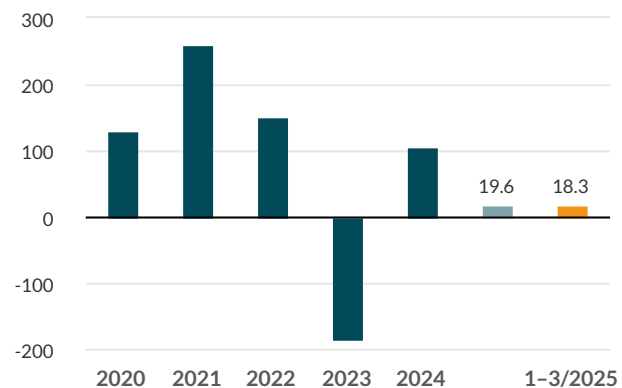
### SATO Corporation's shareholders

Largest shareholders and their holdings	No. of shares	%
Balder Finska Otas AB (Fastighets AB Balder)	48,483,564	57.0%
Stichting Depository APG Strategic Real Estate Pool	19,217,470	22.6%
Elo Mutual Pension Insurance Company	10,849,621	12.8%
State Pension Fund of Finland	4,194,300	4.9%
Valkila Erkkä	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%
Other shareholders (119)	1,085,414	1.3%

On 31 March 2025, SATO had 85,062,444 shares and 129 shareholders registered in the book-entry system. The share turnover rate was 0.1% for the period 1 Jan – 31 Mar 2025.

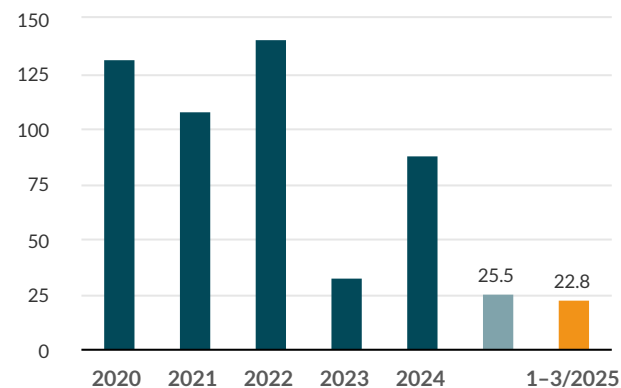
# FINANCIAL TREND

Profit before taxes, EUR million



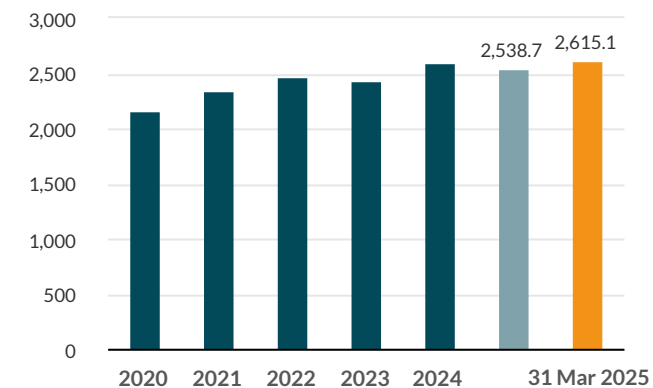
■ 2024 comparison

Cash earnings (CE), EUR million



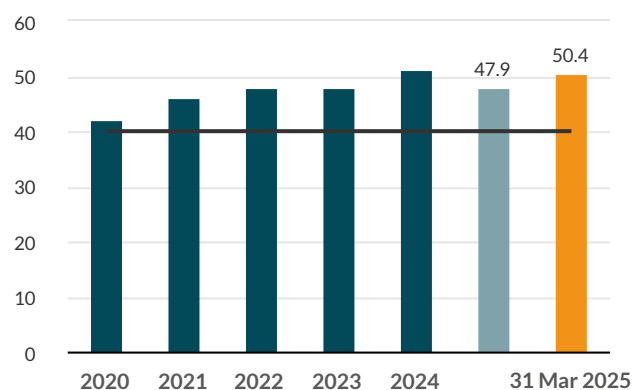
■ 2024 comparison

Shareholders' equity, EUR million



■ 2024 comparison

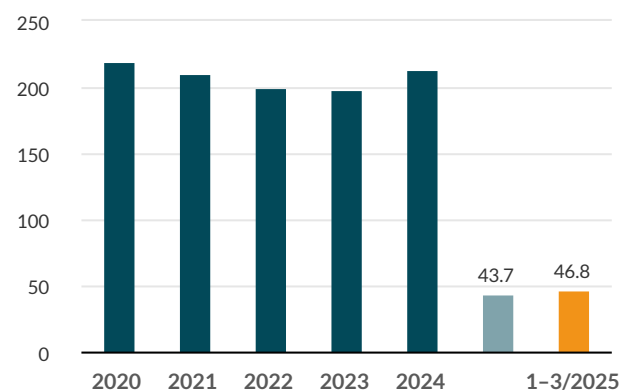
Equity ratio, %



Target > 40%

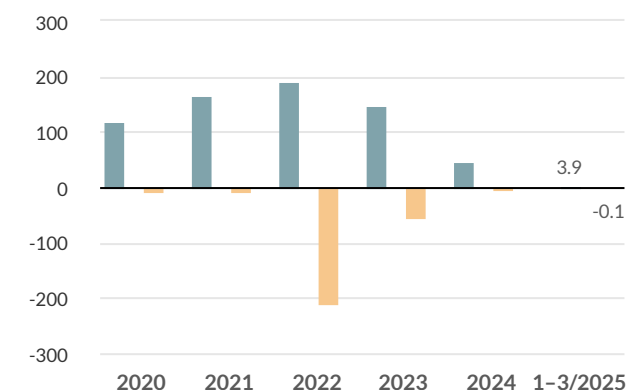
■ 2024 comparison

Net rental income, EUR million



■ 2024 comparison

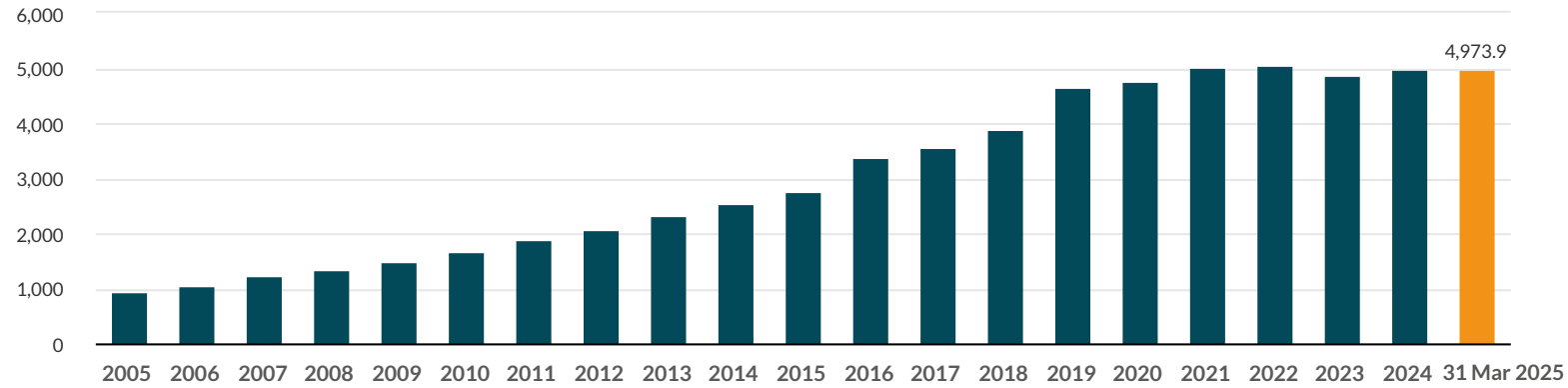
Housing investments and divestments, EUR million



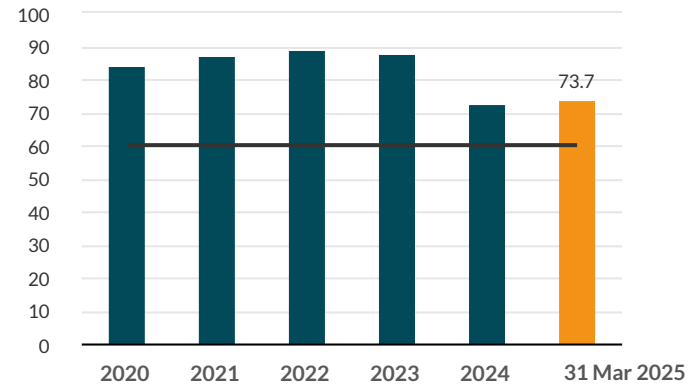
■ Investments ■ Divestments



### Trend in the investment property portfolio value, EUR million



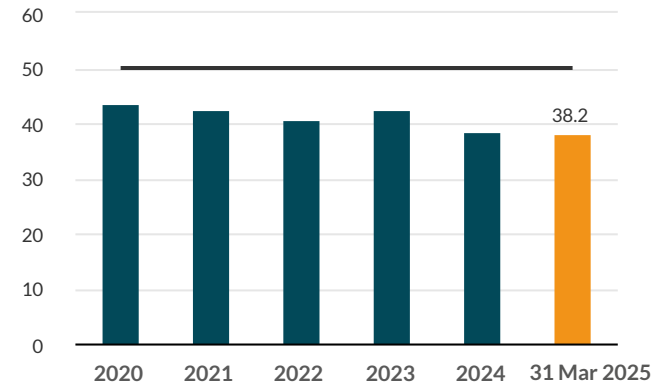
### Unencumbered assets, %\*



Target  $\geq 60\%$

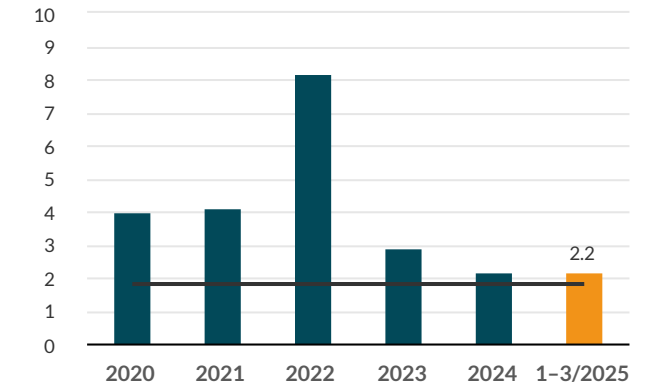
\* Not including undrawn credit facilities.

### Solvency ratio, %



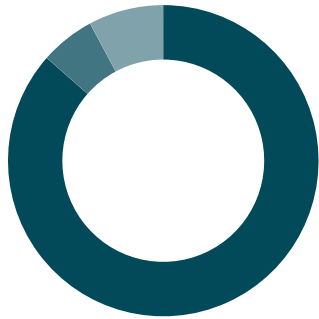
Target  $< 50\%$

### Interest coverage ratio (R12)



Target  $> 1.8x$

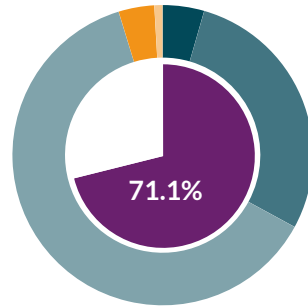
### Regional distribution of the housing portfolio 31 Mar 2025, %



■ Helsinki met. area 86.5% 
 ■ Turku region 5.7%  
■ Tampere region 7.8%

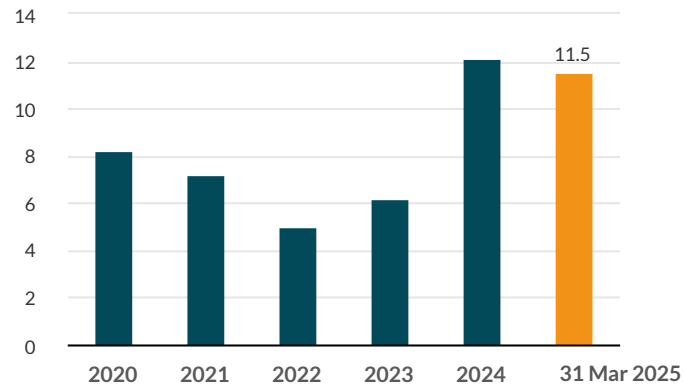
Total housing portfolio EUR 4,804.8 million

### Debt portfolio, nominal values 31 Mar 2025, total EUR 2,107.1 million



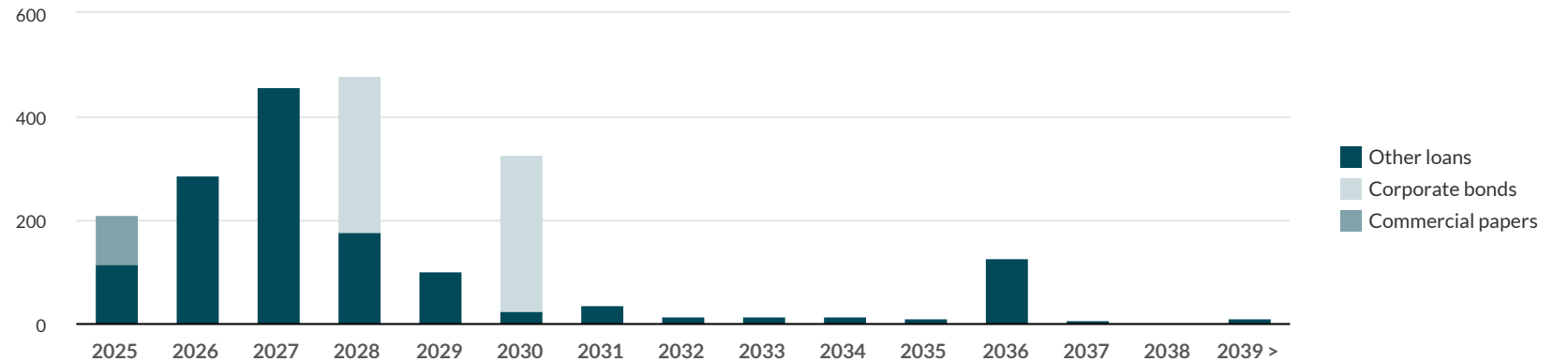
■ Commercial papers 94.0  
■ Corporate bonds 600.0  
■ Bank loans 1,313.4  
■ Interest subsidised 80.9  
■ State subsidised (ARAVA) 18.7  
■ 71.1% of loans without asset-based securities

### Secured solvency ratio, %\*



\* From Q1 2025, the key figure will be calculated based on the book values of secured borrowings instead of nominal values.

### Maturity profile of debt, EUR million



## CONSOLIDATED INCOME STATEMENT, IFRS

EUR million	1 Jan-31 Mar 2025	1 Jan-31 Mar 2024	1 Jan-31 Dec 2024
Net sales	77.2	74.7	304.1
Property maintenance expenses	-30.4	-31.0	-89.8
<b>Net rental income</b>	<b>46.8</b>	<b>43.7</b>	<b>214.4</b>
Fair value change of investment properties, realised	0.5	-0.1	0.7
Fair value change of investment properties, unrealised	1.4	1.7	12.0
Sales, marketing and administrative expenses	-9.6	-9.5	-39.0
Other operating income	0.0	0.6	0.4
Other operating expenses	-0.8	-1.6	-2.9
Share of profit of associated companies and joint ventures	0.0	0.0	0.0
<b>Operating profit</b>	<b>38.4</b>	<b>34.9</b>	<b>185.6</b>
Financial income	3.7	12.0	28.9
Financial expenses	-23.7	-27.3	-109.0
<b>Net financing expenses</b>	<b>-20.1</b>	<b>-15.3</b>	<b>-80.1</b>
<b>Profit before tax</b>	<b>18.3</b>	<b>19.6</b>	<b>105.4</b>
Income tax expenses	-3.7	-3.9	-21.3
<b>Profit for the period</b>	<b>14.6</b>	<b>15.7</b>	<b>84.1</b>
<b>Profit for the period attributable to</b>			
Equity holders of the parent	14.6	15.7	84.1
Non-controlling interests	0.0	0.0	0.0
<b>Total</b>	<b>14.6</b>	<b>15.7</b>	<b>84.1</b>
<b>Earnings per share attributable to equity holders of the parent</b>			
Basic, EUR	0.17	0.23	1.04
Diluted, EUR	0.17	0.23	1.04
Average number of shares, million pcs	84.9	69.7	81.1

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

EUR million	1 Jan-31 Mar 2025	1 Jan-31 Mar 2024	1 Jan-31 Dec 2024
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to income statement</b>			
Cash flow hedges	0.8	1.5	-7.8
Related tax	-0.2	-0.3	1.6
<b>Items that may be reclassified to income statement total</b>	<b>0.6</b>	<b>1.2</b>	<b>-6.2</b>
<b>Other comprehensive income, net of tax</b>	<b>0.6</b>	<b>1.2</b>	<b>-6.2</b>
<b>Total comprehensive income</b>	<b>15.2</b>	<b>16.9</b>	<b>77.9</b>
<b>Comprehensive income attributable to</b>			
Equity holders of the parent	15.2	16.9	77.9
Non-controlling interest	0.0	0.0	0.0
<b>Total</b>	<b>15.2</b>	<b>16.9</b>	<b>77.9</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS

EUR million	31 Mar 2025	31 Mar 2024	31 Dec 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment property	4,973.9	4,914.5	4,971.4
Tangible assets	2.3	3.1	2.6
Intangible assets	6.5	6.9	6.7
Investments in associated companies and joint ventures	0.1	0.1	0.1
Other non-current investments	1.0	1.0	1.0
Other right-of-use assets	3.7	3.9	4.1
Derivative receivables	15.7	24.5	15.2
Non-current receivables	3.1	2.9	2.6
Deferred tax assets	6.9	10.6	6.9
<b>Total</b>	<b>5,013.3</b>	<b>4,967.6</b>	<b>5,010.6</b>
<b>Current assets</b>			
Accounts and other receivables	21.6	42.5	15.4
Current tax assets	3.6	1.5	2.3
Cash and cash equivalents	147.5	293.3	31.3
<b>Total</b>	<b>172.8</b>	<b>337.3</b>	<b>49.0</b>
<b>TOTAL ASSETS</b>	<b>5,186.1</b>	<b>5,304.9</b>	<b>5,059.6</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	4.4	4.4	4.4
Fair value and other reserves	12.6	19.3	11.9
Reserve fund	43.7	43.7	43.7
Reserve for invested non-restricted equity	314.8	314.8	314.8
Retained earnings	2,239.8	2,156.7	2,225.2
<b>Total</b>	<b>2,615.2</b>	<b>2,538.9</b>	<b>2,600.0</b>
<b>Non-controlling interests</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.2</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>2,615.1</b>	<b>2,538.7</b>	<b>2,599.8</b>

EUR million	31 Mar 2025	31 Mar 2024	31 Dec 2024
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	370.6	368.8	368.8
Provisions	1.4	1.4	1.4
Lease liabilities	55.2	53.8	55.7
Derivative liabilities	0.5	0.0	0.6
Long-term interest-bearing liabilities	1,842.6	1,667.4	1,709.0
<b>Total</b>	<b>2,270.2</b>	<b>2,091.4</b>	<b>2,135.5</b>
<b>Current liabilities</b>			
Accounts payable and other liabilities	64.6	68.4	54.0
Provisions	0.5	0.5	0.5
Lease liabilities	5.8	5.3	5.8
Current tax liabilities	0.0	-0.8	2.9
Short-term interest-bearing liabilities	230.0	601.4	261.1
<b>Total</b>	<b>300.8</b>	<b>674.7</b>	<b>324.3</b>
<b>TOTAL LIABILITIES</b>	<b>2,571.0</b>	<b>2,766.2</b>	<b>2,459.8</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>5,186.1</b>	<b>5,304.9</b>	<b>5,059.6</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS, IFRS

EUR million	1 Jan-31 Mar 2025	1 Jan-31 Mar 2024	1 Jan-31 Dec 2024
<b>Cash flow from operating activities</b>			
Profit for the period	14.1	15.7	84.1
Adjustments:			
Non-cash items included in the profit	-0.3	-0.6	-7.6
Gains and losses on sales of investment properties and fixed assets	-0.6	0.0	-0.9
Other adjustments	-0.1	-0.1	0.0
Interest expenses and other financial expenses	24.4	27.3	109.0
Interest income	-3.7	-12.0	-28.9
Dividend income	0.0	0.0	0.0
Income taxes	3.6	3.9	21.3
<b>Cash flow before change in net working capital</b>	<b>37.4</b>	<b>34.2</b>	<b>177.1</b>
Change in net working capital:			
Changes in accounts receivable and other receivables	-6.4	8.9	0.4
Change in accounts payable and other liabilities	6.9	-3.1	-1.1
Interest and other financial expenses paid	-18.1	-20.5	-107.1
Interest received	3.2	3.8	23.7
Taxes paid	-6.3	2.4	-6.5
<b>Net cash flow from operating activities</b>	<b>16.9</b>	<b>25.6</b>	<b>86.6</b>
<b>Cash flow from investing activities</b>			
Investments in investment properties	-4.4	-30.7	-69.3
Net investment in tangible and intangible assets	-0.2	-0.3	-1.8
Cash receipts from loans receivable and debt securities	-	0.2	19.9
Loans granted and investments in debt securities	-	-19.8	-19.8
Disposals of investment property	3.7	3.7	6.8
<b>Net cash flow from investing activities</b>	<b>-0.9</b>	<b>-46.9</b>	<b>-64.1</b>

EUR million	1 Jan-31 Mar 2025	1 Jan-31 Mar 2024	1 Jan-31 Dec 2024
<b>Cash flow from financing activities</b>			
Share issue	-	199.9	199.9
Repayments (-) / withdrawals (+) of current loans	68.9	-154.8	-221.0
Withdrawals of non-current loans	150.0	325.0	768.2
Repayments of non-current loans	-118.1	-62.1	-743.2
Repayments of lease liabilities	-0.5	-0.4	-2.1
<b>Net cash flow from financing activities</b>	<b>100.2</b>	<b>307.6</b>	<b>1.8</b>
<b>Change in cash and cash equivalents</b>	<b>116.2</b>	<b>286.3</b>	<b>24.3</b>
Cash and cash equivalents at the beginning of the period	31.3	7.0	7.0
Cash and cash equivalents at the end of the period	147.5	293.3	31.3

## 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 2025	4.4	11.9	43.7	314.8	2,225.2	2,600.0	-0.2	2,599.8
Comprehensive income:								
Cash flow hedges, net of tax	-	0.6	-	-	-	0.6	-	0.6
Profit for the period	-	-	-	-	14.6	14.6	0.0	14.6
<b>Total comprehensive income</b>	-	0.6	-	-	14.6	15.2	0.0	15.2
Transactions with shareholders:								
Share issue	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-
<b>Transactions with shareholders, total</b>	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-
<b>Total of equity movements</b>	-	0.6	-	-	14.6	15.2	0.0	15.2
Shareholders' equity 31 Mar 2025	4.4	12.6	43.7	314.8	2,239.8	2,615.2	-0.2	2,615.1

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	2,435.2	-0.2	2,435.0
Comprehensive income:								
Cash flow hedges, net of tax	-	1.2	-	-	-	1.2	-	1.2
Profit for the period	-	-	-	-	15.7	15.7	0.0	15.7
<b>Total comprehensive income</b>	-	1.2	-	-	15.7	16.9	0.0	16.9
Transactions with shareholders:								
Share issue	-	-	-	86.9	-	86.9	-	86.9
Dividend	-	-	-	-	-	-	-	-
<b>Transactions with shareholders, total</b>	-	-	-	86.9	-	86.9	-	86.9
Other adjustments	-	-	-	-	-	-	-	-
<b>Total of equity movements</b>	-	1.2	-	86.9	15.7	103.8	0.0	103.8
Shareholders' equity 31 Mar 2024	4.4	19.3	43.7	314.8	2,156.7	2,538.9	-0.2	2,538.7

# NOTES TO THE INTERIM REPORT

## 1. GENERAL INFORMATION

SATO Corporation is a Finnish public limited company domiciled in Helsinki, Finland. The registered address of the company is Panuntie 4, 00600 Helsinki. SATO Corporation and its subsidiaries together form the consolidated SATO Group ("SATO" or "the Group"). SATO provides housing solutions and its operations consists of investments in housing properties. The focus of the Group's operations is on the largest growth centers, and approximately 86.5% of the investment property is located in the Helsinki region. The rest of the operations are located in Tampere and Turku.

## 2. BASIS OF PREPARATION AND NEW ACCOUNTING STANDARDS

SATO's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting standard. Figures presented in this interim report have been rounded from exact figures and therefore the sum of figures presented individually may deviate from the presented sum figure. The preparation of the interim report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The figures in the interim report are unaudited.

The interim report has been prepared according to the same accounting principles as the consolidated financial statements for the year ended 31 December 2024 with the exception of new and amended standards applied to the annual periods beginning on 1 January 2025. New IFRS standards, amendments to standards and IFRIC interpretations which have entered into force at the beginning of the year 2025 has not had any significant impact on the Group.

## 3. RESULT ON DISPOSAL OF INVESTMENT PROPERTIES

EUR million	1-3/2025	1-3/2024	1-12/2024
<b>Sale of residential investment properties</b>			
Proceeds from disposal of residential investment properties	0.1	0.0	2.4
Carrying value of investment properties sold	-0.1	0.0	-1.9
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.5</b>
<b>Sale of land plots</b>			
Proceeds from disposal of land plots	3.7	3.7	4.4
Carrying value of land plots sold	-3.2	-3.7	-4.2
<b>Total</b>	<b>0.5</b>	<b>-0.1</b>	<b>0.2</b>
<b>Total</b>	<b>0.5</b>	<b>-0.1</b>	<b>0.7</b>

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 in the statement of financial position at the end of the previous year end, plus any further investments made thereafter.

## 4. OTHER OPERATING INCOME

EUR million	1-3/2025	1-3/2024	1-12/2024
<b>Other operating income</b>			
Sales income, new production	-	0.7	0.7
New production expenses	-0.1	-0.7	-0.8
Other income	0.1	0.6	0.6
<b>Total</b>	<b>0.0</b>	<b>0.6</b>	<b>0.4</b>

## 5. FINANCIAL INCOME AND EXPENSES

EUR million	1-3/2025	1-3/2024	1-12/2024
<b>Financial income</b>			
Interest income on loans	0.4	1.6	6.4
Interest income on derivatives	3.2	4.6	16.6
Dividend income from other non-current investments	-	-	0.0
Foreign exchange gains	0.0	-	0.0
Other financial income	-	5.8	5.8
<b>Total</b>	<b>3.7</b>	<b>12.0</b>	<b>28.9</b>

EUR million	1-3/2025	1-3/2024	1-12/2024
<b>Financial expenses</b>			
Interest expense on financial liabilities measured at amortised cost	-19.6	-22.3	-90.8
Interest expense on derivatives	-1.5	-1.5	-5.9
Interest expense on lease liabilities*	-0.9	-0.9	-3.5
Foreign exchange losses	0.0	0.0	0.0
Fair value losses, financial instruments	-0.2	-0.2	-0.4
Other financial expenses	-1.5	-2.4	-8.4
<b>Total</b>	<b>-23.7</b>	<b>-27.3</b>	<b>-109.0</b>
<b>Financial income and expenses, net</b>	<b>-20.1</b>	<b>-15.3</b>	<b>-80.1</b>

\* Includes the financial expense component from lease agreements recognised in accordance with IFRS 16 Leases. See note 9 for further information.

## 6. INVESTMENT PROPERTIES

EUR million	1-3/2025	1-3/2024	1-12/2024
Fair value of investment properties at the start of the period	4,971.4	4,885.7	4,885.7
Acquisitions of properties	-	18.9	36.1
New construction and other investments in properties	4.5	14.5	40.4
Disposals of investment properties	-3.3	-4.3	-7.5
Capitalised borrowing costs	-	0.2	1.3
Reclassified from other items	0.0	-2.2	0.5
Gains and losses in profit and loss from changes in fair value	1.4	1.7	12.0
Remeasurement of right-of-use investment properties, no P/L effect	0.0	-	3.0
<b>Fair value of investment properties at the end of the period</b>	<b>4,973.9</b>	<b>4,914.5</b>	<b>4,971.4</b>

### Significant acquisitions and disposals during the period

Based on a preliminary contract concluded on 15 November 2024, SATO Corporation and JM Suomi Oy signed the final contract for the sale of a residential apartment building plot in Lauttasaari, Helsinki, on 15 January 2025. The new zoning plan for the plot that was sold will enable the construction of an apartment building with approximately 40 apartments.

SATO did not make any significant acquisitions of completed investment properties or land plots during the period.

### 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 86.5% 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.

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. The valuation methods for SATO's owned investment properties are income value method and acquisition cost method. The valuation is prepared with income value method for investment properties that can be sold without restrictions, or can be sold as entire properties and to a restricted group of buyers. 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 property-specific estimates of rental income, vacancy, operating expenses and renovation. The discount rate includes yield requirement and an inflation estimate. The yield requirements are determined based on the location, age and technical condition of the assets. 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 realisation is uncertain are valued at cost or probable value, whichever is lower, if their fair value cannot be determined reliably.

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.

EUR million	31 Mar 2025	31 Mar 2024	31 Dec 2024
<b>Investment property classified by valuation method</b>			
Income value method	4,646.3	4,571.8	4,636.7
Acquisition cost	271.2	288.3	278.0
<b>Owned investment property, total</b>	<b>4,917.5</b>	<b>4,860.0</b>	<b>4,914.7</b>
Right-of-use investment properties	56.4	54.5	56.7
<b>Investment property, total</b>	<b>4,973.9</b>	<b>4,914.5</b>	<b>4,971.4</b>

### Sensitivity analysis of investment properties

Sensitivity analysis of investment properties has been presented in the 2024 consolidated financial statements. Quarterly changes are not significant. All SATO's investment properties are classified to 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.



## 7. TANGIBLE ASSETS

EUR million	1-3/2025	1-3/2024	1-12/2024
Carrying value, beginning of the period	2.6	3.3	3.3
Additions	0.0	0.1	0.4
Disposals	-0.1	-0.1	-0.5
Accumulated depreciation of disposals	0.1	0.0	0.5
Transfers between items	0.0	0.0	0.0
Depreciation and impairments	-0.3	-0.3	-1.1
Carrying value, end of the period	2.3	3.1	2.6

## 8. INTANGIBLE ASSETS

EUR million	1-3/2025	1-3/2024	1-12/2024
Carrying value, beginning of the period	6.7	7.2	7.2
Additions	0.2	0.2	1.6
Disposals	-	0.0	-
Accumulated depreciation of disposals	-	-	-
Transfers between items	-	-	-
Depreciation	-0.5	-0.5	-2.1
Carrying value, end of the period	6.5	6.9	6.7

## 9. LEASES

### Right-of-use assets

EUR million	1-3/2025	1-3/2024	1-12/2024
<b>Right-of-use investment properties</b>			
Carrying value, beginning of the period	56.7	54.7	54.7
Disposals	-	-	-0.1
Remeasurement of lease agreements	0.0	-	3.0
Changes of fair value in profit and loss	-0.2	-0.2	-0.9
Carrying value, end of the period	56.4	54.5	56.7
<b>Other right-of-use assets, office premises</b>			
Carrying value, beginning of the period	3.2	4.2	4.2
Remeasurement of lease agreements	-	-	0.2
Depreciation for the period	-0.3	-0.3	-1.2
Carrying value, end of the period	2.9	3.9	3.2
<b>Other right-of-use assets, cars</b>			
Carrying value, beginning of the period	0.9	-	-
Additions	-	-	0.9
Remeasurement of lease agreements	-	-	0.0
Depreciation for the period	-0.1	-	-0.1
Carrying value, end of the period	0.8	-	0.9
<b>Total carrying value, beginning of the period</b>	<b>60.8</b>	<b>58.9</b>	<b>58.9</b>
<b>Total carrying value, end of the period</b>	<b>60.2</b>	<b>58.4</b>	<b>60.8</b>

The right-of-use investment properties include land lease agreements, which are related to residential investment properties. They are measured at fair value and presented under investment properties in the statement of financial position (see note 6). Other right-of-use assets include leases for premises for SATO's own use and car leases.

## Lease liabilities

EUR million	31 Mar 2025	31 Mar 2024	31 Dec 2024
<b>Non-current</b>			
From land lease agreements	52.6	50.7	52.7
From other lease agreements, office premises	2.0	3.0	2.3
From other lease agreements, cars	0.6	-	0.7
<b>Total</b>	<b>55.2</b>	<b>53.8</b>	<b>55.7</b>
<b>Current</b>			
From land lease agreements	4.3	4.1	4.3
From other lease agreements, office premises	1.2	1.2	1.2
From other lease agreements, cars	0.2	-	0.2
<b>Total</b>	<b>5.8</b>	<b>5.3</b>	<b>5.8</b>
<b>Total lease liabilities</b>	<b>60.9</b>	<b>59.1</b>	<b>61.5</b>

## 10. SHAREHOLDERS' EQUITY

The total number of SATO's shares as of 31 March 2025 was 85,062,444 (85,062,444) and the number of own shares held was 166,000 (166,000).

The following dividends were distributed by the company during the period:

EUR million	1-3/2025	1-3/2024	1-12/2024
<b>The following dividend was declared by the company:</b>			
Dividend 0.00 (0.00) per share, EUR	0.0	0.0	0.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

The Annual General Meeting of SATO Corporation resolved on 20 March 2025 that dividends shall not be distributed for the 2024 financial period.

## 11. FINANCIAL LIABILITIES

EUR million	31 Mar 2025	31 Mar 2024	31 Dec 2024
<b>Financial liabilities</b>			
Commercial papers	92.8	90.1	23.9
Corporate bonds	573.1	698.9	571.8
Bank loans	1,307.0	1,369.0	1,270.1
Interest-subsidised loans	80.9	87.4	83.4
State-subsidised ARAVA loans	18.7	23.4	21.0
<b>Total</b>	<b>2,072.6</b>	<b>2,268.7</b>	<b>1,970.1</b>

On the reporting date, the average interest of SATO's debt portfolio was 3.6% (3.6) and the average maturity was 3.6 years (3.2).

For purposes of short-term financing, SATO has a commercial paper program of EUR 400.0 million (400.0) of which EUR 306.0 million (308.0) were unused, committed credit limits of EUR 600.0 million (600.0), of which EUR 600.0 million (600.0) 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.

## 12. DERIVATIVES

EUR million	Positive	31 Mar 2025 Negative	Net	31 Mar 2024 Net	31 Dec 2024 Net
<b>Fair values of derivative instruments</b>					
Interest rate swaps, cash flow hedge	15.6	-0.5	15.2	23.6	14.4
Interest rate swaps, not in hedge accounting	0.6	-	0.6	1.0	0.8
<b>Total</b>	<b>16.3</b>	<b>-0.5</b>	<b>15.8</b>	<b>24.6</b>	<b>15.2</b>

EUR million	31 Mar 2025	31 Mar 2024	31 Dec 2024
<b>Nominal values of derivative instruments</b>			
Interest rate swaps, cash flow hedge	408.0	381.2	408.0
Interest rate swaps, not in hedge accounting	50.0	50.0	50.0
<b>Total</b>	<b>458.0</b>	<b>431.2</b>	<b>458.0</b>

Change in fair value of designated interest rate hedges, booked to fair value reserve, totalled EUR 0.6 million (1.2). Interest rate swaps are used to hedge interest cash flows against fluctuations in market interest rates. 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 periods.

### 13. FAIR VALUES OF FINANCIAL INSTRUMENTS

EUR million	31 Mar 2025			31 Mar 2024		
	Level 1:	Level 2:	Level 3:	Level 1:	Level 2:	Level 3:
<b>Assets</b>						
Other non-current investments	-	1.0	-	-	1.0	-
Commercial paper	-	-	-	-	19.8	-
Derivative assets	-	16.3	-	-	24.6	-
Accounts receivable and other non-interest-bearing receivables	-	8.5	-	-	27.2	-
Cash and cash equivalents	-	147.5	-	-	293.3	-
<b>Liabilities</b>						
Corporate bonds	576.7	-	-	658.6	-	-
Other loans	-	1,505.6	-	-	1,576.2	-
Derivative liabilities	-	0.5	-	-	0.0	-
Accounts payable and other non-interest-bearing payables	-	20.9	-	-	20.1	-

EUR million	31 Dec 2024		
	Level 1:	Level 2:	Level 3:
<b>Assets</b>			
Other non-current investments	-	1.0	-
Commercial paper	-	-	-
Derivative assets	-	15.8	-
Accounts receivable and other non-interest-bearing receivables	-	9.6	-
Cash and cash equivalents	-	31.3	-
<b>Liabilities</b>			
Corporate bonds	546.8	-	-
Other loans	-	1,404.9	-
Derivative liabilities	-	0.6	-
Accounts payable and other non-interest-bearing payables	-	16.4	-

Fair values of assets and liabilities at fair value hierarchy level 1 are quoted on operational markets. Level 2 assets and liabilities fair values are based on verifiable input data and level 3 assets and liabilities are based on unverified input data.

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

### 14. PROVISIONS

EUR million	2025	2024
Provision for refund claims, 1 Jan	1.9	2.0
Increases	-	-
Provisions used	0.0	0.0
Reversals	-	0.0
Provision for refund claims, 31 Mar	1.9	2.0

EUR million	31 Mar 2025	31 Mar 2024	31 Dec 2024
Non-current provisions	1.4	1.4	1.4
Current provisions	0.5	0.5	0.5
<b>Total</b>	<b>1.9</b>	<b>2.0</b>	<b>1.9</b>

The provision for refund claim includes guarantees related to new construction business and a 10-year warranty period after completion of the work. The provision for refund claim is measured based on previous claims and an assessment of previous experience. The provision for refund claim will be used, if applicable, within 10 years from the reporting date. SATO has no other provisions on 31 March 2025.

### 15. NOTES TO THE CASH FLOW STATEMENT

EUR million	1-3/2025	1-3/2024	1-12/2024
<b>Non-cash items included in the profit</b>			
Depreciation and amortisation	1.1	1.1	4.5
Gains and losses from changes in fair value of investment properties	-1.4	-1.7	-12.0
Change in provisions	0.0	0.0	-0.1
Share of profit of associated companies and joint ventures	0.0	0.0	0.0
<b>Total</b>	<b>-0.3</b>	<b>-0.6</b>	<b>-7.6</b>

EUR million	1-3/2025	1-3/2024	1-12/2024
<b>Changes in interest-bearing debt during the period</b>			
Interest-bearing debt, beginning of the period	1,970.1	2,159.2	2,159.2
Cash changes in interest-bearing debt during the period, total	100.8	108.1	-196.0
Non-cash changes:			
Interest accrued by the effective interest rate method	1.7	0.7	3.8
Transfers of debt to buyers upon disposals of investment property and other adjustments	-0.1	0.7	3.1
<b>Interest-bearing debt, end of the period</b>	<b>2,072.6</b>	<b>2,268.7</b>	<b>1,970.1</b>

## 16. COLLATERAL, COMMITMENTS AND CONTINGENCIES

EUR million	31 Mar 2025	31 Mar 2024	31 Dec 2024
<b>Mortgages and pledges for secured borrowings</b>			
Secured borrowings	598.2	627.1	604.5
Pledges and mortgages provided, fair value	1,363.8	1,306.4	1,365.2
<b>Guarantees for others</b>			
Rs-guarantees	1.9	1.9	1.9
<b>Other collateral provided</b>			
Mortgages provided to secure payment of rent and street maintenance	7.2	7.2	7.2
Guarantees and mortgages provided to secure payments of land use contracts	1.3	1.1	0.4
<b>Binding purchase agreements</b>			
For acquisitions of investment properties	1.3	10.2	1.3
Pledges for land use payments on zoned plots	1.2	0.6	0.2
Letters of intent on properties under development for which there is a zoning or other condition	41.1	56.8	41.1

## 17. 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 2025 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	1-3/2025	1-3/2024	1-12/2024
<b>Extended Management Group employee benefits</b>			
Salaries and other short-term employee benefits	0.5	0.4	1.8
<b>Total</b>	<b>0.5</b>	<b>0.4</b>	<b>1.8</b>

## 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.

## 18. SUBSEQUENT EVENTS

No significant events after the end of the reporting period.

## KEY INDICATORS, GROUP

Key financial indicators	1-3/2025	1-3/2024	2024	2023	2022	2021	2020
Net sales, EUR million	77.2	74.7	304.1	288.4	291.2	298.3	303.4
Net rental income, EUR million	46.8	43.7	214.4	198.7	200.4	210.6	220.3
Operating profit, EUR million	38.4	34.9	185.6	-113.6	198.9	304.5	179.6
Net financing expenses, EUR million	-20.1	-15.3	-80.1	-72.2	-47.0	-45.1	-50.0
Profit before taxes, EUR million	18.3	19.6	105.4	-185.8	151.9	259.4	129.5
Balance sheet total, EUR million	5,186.1	5,304.9	5,059.6	5,085.0	5,184.7	5,091.4	5,104.7
Shareholders' equity, EUR million	2,615.1	2,538.7	2,599.8	2,435.0	2,480.9	2,351.3	2,155.7
Interest-bearing liabilities, EUR million	2,072.6	2,268.7	1,970.1	2,159.2	2,145.7	2,169.5	2,381.5
Return on invested capital (ROIC), %	3.3%	3.0%	4.0%	-2.5%	4.3%	6.7%	4.1%
Return on equity (ROE), %	2.2%	2.5%	3.3%	-6.3%	5.0%	9.1%	4.8%
Equity ratio, %	50.4%	47.9%	51.4%	47.9%	47.8%	46.2%	42.2%
Solvency ratio, %	38.2%	39.4%	38.6%	42.4%	40.7%	42.5%	43.8%
Interest cover ratio (R12)	2.2	2.2	2.2	2.9	8.2	4.1	4.0
Unencumbered assets ratio, %	73.7%	75.4%	73.0%	87.7%	89.2%	87.5%	84.1%
Secured solvency ratio, %***	11.5%	11.9%	12.1%	6.2%	5.0%	7.2%	8.2%
Personnel, average*	308	319	315	333	328	276	229
Personnel at the end of the period	312	319	300	323	325	313	242
<b>Key indicators per share</b>							
Earnings per share, EUR	0.17	0.23	1.04	-2.72	2.13	3.64	1.80
Equity per share, EUR**	30.81	29.91	30.63	43.01	43.82	41.53	38.07
Number of shares outstanding, million pcs	84.9	84.9	84.9	56.6	56.6	56.6	56.6
<b>Operational key figures and net asset value</b>							
Operational earnings, EUR million	13.3	14.6	74.4	58.7	88.5	101.6	109.0
Operational earnings per share, EUR	0.16	0.21	0.92	1.04	1.56	1.79	1.92
Net asset value, EUR million	2,966.3	2,872.4	2,949.8	2,767.5	2,849.4	2,779.3	2,577.2
Net asset value per share, EUR	34.94	33.83	34.75	48.88	50.33	49.09	45.52
Cash earnings (CE), EUR million	22.8	25.5	88.2	32.9	141.3	107.9	132.1
Cash earnings per share (CEPS), EUR	0.27	0.37	1.09	0.58	2.50	1.91	2.33

Quarterly key financial indicators	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Net sales, EUR million	77.2	77.1	76.5	75.8	74.7
Net rental income, EUR million	46.8	53.9	59.3	57.5	43.7
Operating profit, EUR million	38.4	44.0	54.5	52.2	34.9
Profit and losses from changes of fair value, EUR million	1.4	1.1	4.0	5.1	1.7
Net financing expenses, EUR million	-20.1	-22.1	-22.0	-20.8	-15.3
Profit before taxes, EUR million	18.3	21.9	32.5	31.4	19.6
Earnings per share, EUR	0.17	0.21	0.31	0.30	0.23
Average number of shares outstanding, million pcs	84.9	84.9	84.9	84.9	69.7
Housing investments, EUR million	3.9	16.9	8.9	10.0	12.8
as percentage of net sales	5.1%	21.9%	11.7%	13.2%	17.1%
<b>Operational key figures</b>					
Operational earnings, EUR million	13.3	16.6	22.2	21.1	14.6
Operational earnings per share, EUR	0.16	0.20	0.26	0.25	0.21
Cash earnings (CE), EUR million	22.8	28.0	25.9	8.8	25.5
Cash earnings per share (CEPS), EUR	0.27	0.31	0.31	0.10	0.37

\* Including seasonal employees.

\*\* Equity excluding non-controlling interests.

\*\*\* From Q1 2025, the key figure will be calculated based on the book values of secured borrowings instead of nominal values.

### 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

<b>Net rental income, EUR =</b>	Net Sales – Property maintenance expenses		<b>Operational earnings, EUR =</b>	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 taxes of above items – Non-controlling interests
<b>Return on invested capital (ROIC), % =</b>	$\frac{\text{Operating profit}}{\text{Balance sheet total average during the period} - \text{non-interest-bearing debt average during the period}} \times 100$		<b>Net asset value, EUR =</b>	Shareholders' equity attributable to owners of the parent –/+ Fair value of financial instruments (net), net of tax –/+ Deferred tax assets and liabilities (net)
<b>Return on equity (ROE), % =</b>	$\frac{\text{Profit for the period}}{\text{Shareholders' equity average during the period}} \times 100$		<b>Cash earnings (CE), EUR =</b>	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
<b>Equity ratio, % =</b>	$\frac{\text{Shareholders' equity}}{\text{Balance sheet total}} \times 100$			
<b>Solvency ratio, % =</b>	$\frac{\text{Interest-bearing liabilities – Cash and Cash Equivalents}}{\text{Balance sheet total – Cash and Cash Equivalents}} \times 100$			
<b>Interest cover ratio (R12) =</b>	$\frac{\text{Operating profit –/+ Fair value change of investment properties, unrealised – Carrying value of investment properties sold + Depreciations}}{\text{Net financing expenses}}$			
<b>Unencumbered assets ratio, % =</b>	$\frac{\text{Balance sheet total – Pledges and mortgages provided, fair value}}{\text{Balance sheet total}} \times 100$			
<b>Secured solvency ratio, % =</b>	$\frac{\text{Secured borrowings}}{\text{Balance sheet total}} \times 100$			
<b>Earnings per share, EUR =</b>	$\frac{\text{Profit for the period attributable to owners of the parent}}{\text{Number of shares, Basic, average during the period}}$			
<b>Equity per share, EUR =</b>	$\frac{\text{Shareholders' equity attributable to owners of the parent}}{\text{Number of shares, Basic, at the end of the reporting period}}$			



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