20240620003028

V Helsingin Erottajankadun Huippu AB
Org nr 556898-5484

Årsredovisning för räkenskapsåret 2023

Styrelsen avger följande årsredovisning.

Innehåll

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Om inte annat särskilt anges, redovisas alla belopp i tusental euro. Uppgifter inom parentes avser föregående år.

Undertecknad styrelseledamot i V Helsingin Erottajankadun Huippu AB intygar, dels att denna kopia av årsredovisningen överrensstämmer med originalet, dels att resultaträkningen och balansräkningen fastställts på årsstämma den juni - 12 - 2024

Årsstämman beslöt att godkänna styrelsens förslag till vinstdisposition.

Stockholm den 2024-06-12

Leif Andersson

20240620030029

V Helsingin Erottajankadun Huippu AB
Org nr 556898-5484

Årsredovisning för räkenskapsåret 2023

Styrelsen avger följande årsredovisning.

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20240620030

Förvaltningsberättelse

Allmänt om verksamheten

Bolagets verksamhet består i att äga och förvalta fastigheter via andelar i fastighetsförvaltande dotterbolag. Bolaget administreras av Newsec Asset Management AB.

Bolaget har inte haft några anställda och några löner eller ersättningar har inte betalats ut.

Ägarförhållanden

Bolaget är ett helägt dotterbolag till Polar Bidco S.á.r.l. org.no. B214928, ett bolag i Luxemburg som är anknutet till Blackstone Real Estate Partners Europe V. Bolaget har sitt säte i Stockholm.

Polar Bidco S.á.r.l. förvärvade bolaget per 2018-08-29.

Väsentliga händelser under räkenskapsåret

Inga väsentliga händelser har skett under räkenskapsåret. Bolaget har inte påverkats något av Covid 19, kriget i Ukraina eller av pågående inflation.

Finansiering och likviditet

Bolaget finansieras med eget kapital och ett koncerninternt lån.

Finansiella risker framgår av not 4.

Väsentliga risker och osäkerheter i verksamheten

Den mest väsentliga risken som påverkar bolaget är kopplade till värdering av fastigheter som ägs av dotterbolagen. Makroekonomiska faktorer och andra marknadsfaktorer har en väsentlig påverkan på fastighetsvärdet och innebär en osäkerhet.

Framtidsutsikter och finansiella mål

Det finansiella målet med verksamheten är att optimera fastighetsförvaltningen i dotterbolagen för att kunna generera en stabil och långsiktig avkastning.

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20240620003031

Flerårsöversikt

		2023	2022	2021	2020
Nettoomsättning	teur	-	-	-	-
Driftnetto	teur	-41	-36	-40	-42
Resultat efter finansiella poster	teur	53	57	53	51
Balansomslutning	teur	7 402	6 553	5 856	5 061
Eget kapital	teur	7 262	6 420	5 724	4 837

Förslag till vinstdisposition

Till årsstämmans förfogande står följande vinstmedel:

Balanserade vinstmedel		7 213 723
Årets vinst		41 542
	euro	7 255 265

Styrelsen föreslår att vinstmedlen disponeras så att

i ny räkning överförs		7 255 265
	euro	7 255 265

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20240620053032

Resultaträkning	**Not**	**2023**	**2022**
Administrationskostnader	5	-41	-36
Driftsnetto		-41	-36
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter	6	94	93
Summa resultat från finansiella poster		94	93
Resultat efter finansiella poster		53	57
Skatt på årets resultat	7	-11	-12
Årets vinst		42	45

Årets totalresultat överensstämmer med totalresultatet för bolaget.

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20240620003033

Balansräkning	**Not**	**2023-12-31**	**2022-12-31**
Tillgångar			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	8, 9	5 405	4 695
Fordringar hos koncernföretag		1 530	1 530
		6 935	6 225
Summa anläggningstillgångar		6 935	6 225
Omsättningstillgångar			
Kortfristiga fordringar			
Förutbetalda kostnader och upplupna intäkter		421	328
Kassa och bank		46	0
Summa omsättningstillgångar		467	328
Summa tillgångar		7 402	6 553

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20240620003034

Balansräkning	**Not**	**2023-12-31**	**2022-12-31**
Eget kapital och skulder			
Eget kapital			
Bundet eget kapital			
Aktiekapital		6	6
Fritt eget kapital			
Balanserad vinst eller förlust	9	7 214	6 369
Årets vinst		42	45
		7 256	6 414
Summa eget kapital		7 262	6 420
Kortfristiga skulder			
Skulder till koncernföretag		100	100
Aktuella skatteskulder		23	23
Upplupna kostnader och förutbetalda intäkter		17	10
Summa kortfristiga skulder		140	133
Summa eget kapital och skulder		7 402	6 553

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20240620003035

Förändringar i eget kapital

	Aktie-kapital	Balanserat resultat	Årets total-resultat	Summa eget kapital
Eget kapital 2021-12-31	6	5 676	42	5 724
Disposition enligt årsstämman	-	42	-42	-
Erhållna ovillkorade aktieägartillskott	-	650	-	650
Årets resultat			45	45
Eget kapital 2022-12-31	**6**	**6 368**	**45**	**6 419**
Disposition enligt årsstämman		45	-45	-
Erhållna ovillkorade aktieägartillskott	-	800	-	800
Årets resultat			42	42
Eget kapital 2023-12-31	**6**	**7 213**	**42**	**7 261**

Aktiekapitalet var 2023-12-31 fördelat på 6 000 aktier med kvotvärde 1 EUR.

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20240620030036

Kassaflödesanalys	**2023**	**2022**
Den löpande verksamheten		
Rörelseresultat innan finansiella poster	-41	-36
Justering för poster som inte ingår i kassaflödet:		
Erhållen ränta	94	93
Erlagd ränta	0	0
Betald inkomstskatt	-11	-2
	42	55
Ökning/minskning övriga kortfristiga fordringar	-93	-243
Avrundningsdifferenser pga redovisning i tusental euro	-2	0
Ökning/minskning övriga kortfristiga rörelseskulder	8	143
Kassaflöde från den löpande verksamheten	-45	-45
Investeringsverksamheten		
Lämnade aktieägartillskott till dotterbolag	-710	-650
Förändring i övriga finansiella anläggningstillgångar	0	0
Kassaflöde från investeringsverksamheten	-710	-650
Finansieringsverksamheten		
Erhållna aktieägartillskott	800	650
Kassaflöde från finansieringsverksamheten	800	650
Årets kassaflöde	45	-45
Likvida medel vid årets början	1	46
Likvida medel vid årets slut	46	1

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20240620003038

Uppskjuten inkomstskatt
Uppskjuten skatt redovisas på balansdagen i enlighet med balansräkningsmetoden för temporära skillnader mellan tillgångars och skulders skattemässiga och redovisningsmässiga värden.
Uppskjuten skatt beräknas med tillämplig skattesats som beslutats eller aviserats per balansdagen och som förväntas gälla när den uppskjutna skatten realiseras eller regleras.

Uppskjutna skattefordringar
Uppskjutna skattefordringar redovisas endast i den omfattning att det är sannolikt att framtida överskott kommer att finnas tillgängliga, mot vilka de temporära skillnaderna kommer att kunna utnyttjas.
Uppskjutna skattefordringar och skatteskulder kvittas när det finns en legal kvittningsrätt för de aktuella skattefordringar och skatteskulder och när de uppskjutna skattefordringarna och skatteskulderna hänför sig till skatt debiterade av samma skattemyndighet där det finns en avsikt att reglera saldona genom nettobetalningar.

Lånekostnader
Låneutgifter utgörs av ränta och andra kostnader som uppstår när ett företag lånar pengar.
Låneutgifter redovisas som en kostnad i den period de uppkommer.

Finansiella anläggningstillgångar
Finansiella tillgångar som är avsedda för långsiktigt innehav redovisas till anskaffningsvärde. Har en finansiell anläggningstillgång på balansdagen ett lägre värde än det bokförda värdet skrivs tillgången ner till detta lägre värde om det kan antas att värdenedgången är bestående.

Nedskrivning
Tillgångar som löpande skrivs av skall nedskrivningstestas närhelst händelser eller förändringar i förhållanden indikerar att det redovisade värdet kanske inte är återvinningsbart. En nedskrivning görs med det belopp varmed tillgångens redovisade värde överstiger dess återvinningsvärde.
Återvinningsvärdet är det högre av tillgångens verkliga värde minskat med försäljningskostnader och dess nyttjandevärde. För att pröva eventuellt nedskrivnings- eller återföringsbehov, stäms vid varje årsskifte, eller oftare om indikation på större värdeförändringar finns, varje fastighets bokförda värde av mot extern värdering av fastighetens marknadsvärde. Nedskrivning av fastigheternas värde i koncernföretaget ligger till grund för värdering av andelar i respektive koncernföretag.

Finansiella instrument - redovisning och värdering
Med hänsyn till sambandet mellan redovisning och beskattning har företaget i enlighet med RFR 2 valt att inte tillämpa IAS 39 utan tillämpar en metod med utgångspunkt i anskaffningsvärde i enlighet med ÅRL. Bolaget saknar derivatinstrument.

Fordringar
Fordringar med förfallodag mer än 12 månader efter balansdagen redovisas som anläggningstillgångar, övriga som omsättningstillgångar. Fordringar upptas till det belopp som efter individuell prövning beräknas bli betalt.

Likvida medel
Likvida medel omfattar kassa, banktillgodohavanden samt kortfristiga placeringar med en ursprunglig förfallodag på tre månader eller mindre.

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20240620030039

Skulder
Skulder redovisas till upplupet anskaffningsvärde, med tillämpning av effektivräntemetoden.

Redovisning av koncernbidrag
Koncernbidrag redovisas som bokslutsdisposition.

Aktiekapital
I posten aktiekapital ingår det registrerade aktiekapitalet. Antal aktier uppgår till 6 000 st.

Balanserat resultat
Balanserat resultat motsvarar ackumulerade vinster och förluster som genererats i bolaget med tillägg för avsättningar till reservfond, utdelningar samt övriga tillskott från aktieägaren.

Kassaflödesanalys
Kassaflödesanalysen upprättas enligt indirekt metod. Kassaflödet som redovisas omfattar endast transaktioner som medför in- och utbetalningar.

Not 4 Finansiell riskhantering

Finansiell riskhantering
V Helsingin Erottajankadun Huipu AB är exponerat för ett antal finansiella risker. Det övergripande målet är att ha en kostnadseffektiv finansiering inom företaget. Bolaget har koncerninterna skulder och fordringar samt likvida medel som utgör finansiella instrument. Företaget har inga väsentliga risker.

Bolaget är indirekt via koncernföretag utsatt för följande finansiella risker:
- kreditförsörjningsrisk; risken att inte ha tillgång till finansiering av sin verksamhet
- ränterisk; risken att marknadsräntan förändras på ett ofördelaktigt sätt
- motpartsrisk; risken att motpart inte kan fullgöra sina åttaganden

Ränterisk
V Helsingin Erottajankadun Huipu AB finansiering av eget kapital och koncerninterna skulder. Den koncerninterna räntan som använts ligger på 6%.

Polar Bidco koncernens finansiella riskhantering, som syftar till att motverka ovanstående risker, är centraliserad till moderbolaget Polar Bidco S.á.r.l.

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20240620003040

Likviditet och refinansieringsrisk
Likviditetsrisk definieras som risken för externa kostnader eller andra negativa effekter på grund av otillräcklig kortsiktig likviditet. Målet för den koncern som V Helsingin Erottajankadun Huippu AB tillhör är att dela ut allt kapital som inte behövs av de enskilda tillgångarna, avvikelser får dock görs med hänsyn till särskilda omständigheter. En anledning kan vara att det behövs en likviditetsreserv för framtida investeringar eller extra amorteringar.

Refinansieringstisk definieras som risken i samband med refinansiering av utestående lån. Målet för den koncern som V Helsingin Erottajankadun Huippu AB tillhör är att upprätthålla en stark och konkurrenskraftig bas av finansiella insitutioner gällande finansiering. För att få de bästa marknadsvillkoren och för att undvika beroendet av en motpart, bör all refinansiering inledas i ett tidigt skede och, om möjligt, med flera potentiella långivare. All refinansiering bör också anpassas för att passa den specifika tillgången och den förväntade återstående tiden av innehavet, kostnad för förtida låneåterbetalning etc. Koncernen är medveten om refinansieringsrisken, men ser ingen omedelbar risk för låneavtalen i de nuvarande portföljerna.

Riskhantering av kapital
Företagets kapitalstruktur ska hållas på en nivå som säkerställer möjligheten att driva verksamheten vidare för att skapa avkastning till aktieägarna och fördelar för andra intressenter, samtidigt som en optimal struktur upprätthålls för att minska kapitalkostnaderna För att upprätthålla eller anpassa kapitalstrukturen kan företaget, efter aktieägarnas godkännande, när så är lämpligt, variera den utdelningen till aktieägarna, sätta ner aktiekapitalet för betalning till aktieägarna, emittera nya aktier eller sälja tillgångar för att minska skuldsättningsgraden. Företaget analyserar löpande förhållande mellan skuldsättning och eget kapital och förhållandet mellan skuldsättning och eget kapital inklusive lån från aktieägarna utifrån uppsatta mål.

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Not 5 Ersättning till revisorerna

	2023	2022
KPMG		
Revisionsuppdraget	-3	-3
Övriga tjänster	-8	0
Summa	-11	-3

Med revisionsuppdraget avses granskning av årsredovisningen och bokföringen samt styrelsens förvaltning och övriga granskningsuppgifter som det ankommer på bolagets revisor att utföra.

20240620003041

Not 6 Övriga ränteintäkter och liknande resultatposter

	2023	2022
Koncernintern ränta	93	93
Summa	93	93

Not 7 Skatt på årets resultat

	2023	2022
De huvudsakliga komponenterna när det gäller skattekostnader för räkenskapsåret med avslut den 31 december 2022 är följande:		
Redovisad skatt i resultaträkning		
Aktuell skatt	-11	-12
Summa redovisad skatt	-11	-12
Avstämning av effektiv skattesats		
Redovisat resultat före skatt	51	57
Skatt beräknad enligt gällande skattesats 20,6% (20,6%)	-11	-12
Summa redovisad skatt	-11	-12

Den genomsnittliga effektiva skattesatsen är 20,7% (23,8%).
Det skattemässiga underskottet uppgår till 0 TEUR.
Under året har ingen inkomstskatt redovisats i eget kapital.

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20240620003042

Not 8 Andelar i koncernföretag

	2023	2022
Ingående anskaffningsvärde	4 695	4 045
Lämnade aktieägartillskott	710	650
Utgående ackumulerat anskaffningsvärde	5 405	4 695
Utgående restvärde enligt plan	5 405	4 695

Koncernen	Org nr	Säte
Helsingin Erottajankadun Huippu Upper Holding OY	2417311-7	Helsingfors

Moderbolaget	Kapital-andel %	Rösträtts-andel %	Antal aktier	Eget kapital	Årets resultat
Helsingin Erottajankadun Huippu Upper Holding OY	100	100	2 500	-3 471	-5 713
Summa				-3 471	-5 713

Ingen nedskrivning av andelar har skett under 2023 då dotterbolagets dotterbolag äger en fastighet med marknadsvärde om 36 300 TEUR.

Not 9 Transaktioner med närstående

De närståendetransaktioner som förekommit under räkenskapsåret är aktieägartillskott som förmedlats från bolagets moderbolag Polar Bidco S.á.r.l.

	2023	2022
Under året erhållna aktieägartillskott	800	650
Under året lämnade aktieägartillskott	-710	-650
	90	0

Not 10 Ställda säkerheter

Bolaget har inga kända ställda säkerheter.

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20240620003043

Not 11 Eventualförpliktelser

Bolaget har inga kända eventualförpliktelser.

Not 12 Händelser efter balansdagen

Inga väsentliga händelser har skett efter räkenskapsårets utgång.

Stockholm den dag som framgår av elektroniska underskrifter.

Leif Andersson

Maria Elena Campos Ollén

Laurent Machenaud

Vår revisionsberättelse ha lämnats den dag som framgår av vår elektroniska underskrift.

KPMG AB

Christer Emanuelsson
Auktoriserad revisor

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20241212003S4

Revisionsberättelse

Till bolagsstämman i V Helsingin Erottajankadun Huippu AB, org. nr 556898-5484

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för V Helsingin Erottajankadun Huippu AB för år 2023.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av V Helsingin Erottajankadun Huippu ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till V Helsingin Erottajankadun Huippu AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för V Helsingin Erottajankadun Huippu AB för år 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

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Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till V Helsingin Erottajankadun Huippu AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Stockholm den dag som framgår av vår elektroniska underskrift

KPMG AB

Christer Emanuelsson
Auktoriserad revisor

20241212003355

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Christer Karl Emanuelsson
Auktoriserad revisor
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Maria Hermansson

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Noter

Not 1 Redovisnings- och värderingsprinciper

Årsredovisningen har upprättats utifrån antagandet om fortlevnad (going concern). Tillgångar och skulder är värderade till sina historiska anskaffningsvärden.

De finansiella rapporterna har upprättats i enlighet med Årsredovisningslagen och RFR2 - Redovisning för juridiska personer. Bolaget tillämpar frivilligt RFR2 i enlighet med reglerna i BFNAR 2012:3 då bolaget är ett helägt dotterbolag till Polar Bidco S.á.r.l. som i sin tur är dotterföretag till Polar Topco S.á.r.l. som tillämpar IFRS i dess koncernredovisning.

Bolaget är ett moderbolag, men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen koncernredovisning.
Närmast överordnade moderföretag som upprättar koncernredovisning i vilket företaget ingår är Polar Topco S.á.r.l. org.no. B215535 med säte i Luxemburg.

Not 2 Väsentliga redovisningsbedömningar, uppskattningar och antaganden

När styrelsen upprättar finansiella rapporter i enlighet med tillämpade redovisningsprinciper måste vissa uppskattningar och antaganden göras som påverkar det redovisade värdet av tillgångar, skulder, intäkter och kostnader. Dessa bedömningar och antaganden baseras på historiska erfarenheter samt andra faktorer som bedöms rimliga under rådande omständigheter. Faktiskt utfall kan skilja sig från dessa bedömningar om andra antaganden görs eller andra förutsättningar föreligger. De områden där uppskattningar och antaganden är av stor betydelse för företaget och som kan komma att påverka resultat- och balansräkning om de ändras är bedömning av nyttjandeperioder för fastigheter i koncernföretagen och nedskrivningsbehov för andelar i koncernföretag.

Not 3 Sammanfattning av viktiga redovisningsprinciper

Intäktsredovisning
Intäkter redovisas då det är troligt att ekonomiska fördelar kommer företaget tillgodo och att intäkterna kan fastställas på ett tillförlitligt sätt.

Intäkter från försäljning av andelar i koncernföretag
Intäkter från försäljning av andelar i koncernföretag redovisas i samband med att risker och förmåner övergått från säljaren till köparen.

Inkomstskatter
Periodens skattekostnad omfattar aktuell samt uppskjuten skatt.

Aktuell inkomstskatt
Kortfristiga skattefordringar och skatteskulder för nuvarande och tidigare perioder fastställs till det belopp som förväntas återfås från eller betalas till Skatteverket. De skattesatser och skattelagar som tillämpas för att beräkna beloppet är de som är antagna eller aviserade på balansdagen.

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Polar Topco S.à r.l.
Société à responsabilité limitée

Consolidated financial statements for the year ended 2023

(with the report of the *Réviseur d'Entreprises Agréé thereon*)

2-4, rue Eugène Ruppert
L-2453 Luxembourg
R.C.S. Luxembourg: B 215535
Capital: EUR 12,000

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Management report

The Board of Manager of Polar Topco S.à r.l. is pleased to present the consolidated financial statement and report of the *Réviseur d'entreprises agréé* as at 31 December 2023 of Polar Topco S.à r.l. ("the Company") and its subsidiaries ("the Group").

Activities
The principal activity of the Company is that of a holding company. The main operation of the Group is the holding and management of Real Estate assets and specifically the ownership of Real Estate Group in Finland and Sweden.

The Group's result for the year from 01 January 2023 to 31 December 2023, as shown in the consolidated income statement, was a loss of EUR -358.5 million (2022: a loss of EUR -116.7 million), total assets decreased to EUR 2,818.99 million (2022: EUR 3,085.3 million) and total liabilities decreased to EUR 2,096.0 million (2022: EUR 2,080.7 million).

No significant events have occurred during the year.

Principal risks and uncertainties

Financial Risk management
The objective of risk management is to minimise the unfavourable impacts of changes in the financial markets on the Company's profits and cash flow. The Company's treasury unit identifies and assesses risks and is responsible for practical risk management measures. Group's main financial risks are interest rate risk, risks concerning access to financing and credit risk. The Group's operational financing activities are centrally handled by its treasury unit.

Risks associated with business operations in Russia
Due to the conflict in Ukraine, Group decided to complete the divestment of its holdings in Russia. . Group has sold all its properties in Russia during 2022 and the liquidation of the remaining two companies was completed during 2023. As a result of these measures, Group has no business risks related to Russia at the time of closing these accounts.

Interest rate risk
The Group almost exclusively uses floating rate loans in financing its operations, and these are the source of the Company's interest rate risk. Risen Interest rates due to inflation resulted in higher interest expenses of the Group and higher hedged interest in refinancing has increased the total interest level. The Group has hedged against interest rate risk by purchasing interest rate options (CAPs) and interest rate swaps. Interest rate options and swaps are used to reduce growth in future interest flows caused by a rise in short-term market rates.

Liquidity and refinancing risk
The Group assesses and monitors the amount of financing required by its business operations daily to ensure the sufficiency of liquid funds for financing purposes. The Group's liquidity position and forecast are drawn up every payment day. The Group estimates that the risk of the availability of financing to core assets is moderate due to the owner having access to very extensive international financing sources. The Group's major lenders are large international banks with very substantial lending resources. Financing of the Group consists of independent parts, with no cross collateralization between the parts.

Credit risk
Credit risk arises from the possibility that the counterparty in a contract fails to fulfil their obligations as given in the contract. The Group's most significant credit risks on the balance sheet date arose from rent receivables, trade receivables and derivate contracts. The Group has no major concentrations of receivables or credit risks.

To avoid risks from counterparties, the Group uses only financially solid banks with a good credit rating as counterparties in derivative contracts. The banks' credit rating in terms of their long-term acquisition of funds must be classified as at least A- by S&P's (or an equivalent credit rating company).

The Group recognises a final credit loss when a tenant is found to be without means in the debt collection process or when it has received reliable advance information on the bankruptcy estate's share or when the company's share of a bankruptcy is conclusively confirmed. The Group uses well-known external debt-collection firms to collect receivables.

Currency risk

The conflict in Ukraine that started in February 2022 confirmed the decision for Group to complete the exit from Russia in 2022. Group has sold all its properties during 2021 and 2022 in Russia and the liquidation of local companies was registered in 2023.

The Group has no foreign operations anymore and therefore changes in the exchange rates do not affect Group's financial position and operations.

Research & Development

None of the entities in the Group undertake any research and development activity during the year.

Branches

The Group has no branches.

Key Financial and Non-Financial Performance indicators

Fair value asset ratio (FVAR) is defined as Investment Property Fair value / Total Asset and amounted to 90.1% (2022: 91.8%).

Earnings before interest and taxes (EBIT) is defined as earnings before interest and tax amounted to a loss of EUR -253.3 million (2022: loss of EUR -83.2 million).

The Group uses vacancy rate as important non-financial indicator. The vacancy rate shows the ratio of square meter of the vacant units in Group's properties to total square meter. They are used as an indicator to the current letting performance.

Going concern

The Group's financial statements for the financial year 2023 have been prepared on a going-concern basis.

The Group recognized a loss at the amount of EUR -358.5 million for the year ended 31 December 2023 and as at that date, its current liabilities exceeded current assets by EUR 72.6 million (including assets and liabilities held for sale). The net current liability position resulted from maturity of loans from financial institutions, due to be repaid on 16 August 2024 and 31 December 2024 . Total agreed value for the assets held for sale which have been sold after the balance sheet date was EUR 46.9 million. After the balance sheet date, the Group has made prepayment on the loan due in August and the remaining nominal amount on 27 March 2024 was EUR 148.0 million. As for the loan due in December, the remaining nominal amount of the loan as at year end was EUR 14.9 million.

A cashflow forecast has been prepared by management which depicts that the net cashflows remain sufficient to cover the running expenses of the Group when they become due, including interest payments on loans for the forthcoming twelve months. This consideration is based on solid and predictable net operating income as the revenues are derived from long term binding leases, status of the refinancing negotiations of the said loan, supportive shareholder, and the total liquidity of the Group (cash and committed credit facilities together) stand at approx. EUR 275 million, available to finance, besides operational cash flow, also planned investments.

Considering the factors outlined above, management has a reasonable expectation that the Group has and will have adequate resources to continue in operational existence for the foreseeable future.

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Future Developments

During 2023 total investments of Group were EUR 96.9 million (2022: EUR 76.6 million) from which EUR 94.1 million (2022: EUR 75.8 million) was related to investment properties. Investments to development projects were EUR 53.6 million (2022: EUR 38.5 million).

Group has several ongoing investment projects. Total investments during 2024 are expected to be approximately EUR 116.4 million.

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BRE Management 9 S.A, Sole Manager,
itself represented by its Directors :

By: Michael Dietrich

By: Dorota Roch

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To the Shareholders of
Polar Topco S.à r.l.
2-4, rue Eugène Ruppert
L-2453 Luxembourg
Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Opinion

We have audited the consolidated financial statements of Polar Topco S.à r.l. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the consolidated financial statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Managers is responsible for the other information. The other information comprises the information stated in the consolidated report including the consolidated management report but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

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Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers for the consolidated financial statements

The Board of Managers is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Managers is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the réviseur d'entreprises agréé for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.

— Conclude on the appropriateness of the Board of Managers' 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 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 report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated 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 report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Luxembourg, 31 May 2024

KPMG Audit S.à r.l.
Cabinet de révision agréé

Muhammad Azeem

20240925022227

Consolidated statement of financial position
as at 31 December 2023

M€		Note	31/12/2023	31/12/2022
ASSETS				
Non-current assets				
Investment properties		1	**2,540.3**	2,832.6
Investments in real estate funds		6.3	**0.0**	0.0
Property, plant and equipment		6.4	**1.6**	12.6
Other intangible assets		6.4	**2.3**	3.7
Interest rate derivatives		2.3.2	**3.8**	23.7
Other investments		2.3.2	**0.0**	0.0
Deferred tax assets		3	**65.5**	63.8
Non-current assets total			**2,613.4**	**2,936.4**
Current assets				
Trading properties		6.5	**5.7**	7.2
Interest rate derivatives		2.3.2	**3.8**	4.6
Trade and other receivables	2.3.2	6.6.1	**45.1**	36.0
Cash and cash equivalents	2.2	2.3.2	**87.6**	101.1
Current assets total			**142.2**	148.9
Non-current assets held for sale	1.1	7	**63.3**	-
Total assets			**2,818.9**	**3,085.3**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent company				
Share capital			**0.0**	0.0
Share premium reserve			**1,379.7**	1,303.6
Translation differences			**-**	-0.8
Retained earnings			**-656.8**	-298.2
Shareholders' equity, total		4	**722.9**	**1,004.6**
Liabilities				
Non-current liabilities				
Deferred tax liabilities		3	**95.0**	134.0
Interest-bearing loans and borrowings		2.3.2	**1,708.7**	1,538.4
Lease liabilities			**13.9**	27.1
Other liabilities		2.3.2	**0.3**	0.3
Non-current liabilities total			**1,817.9**	**1,699.8**
Current liabilities				
Current interest-bearing liabilities		2.3.2	**165.9**	325.7
Lease liabilities			**1.5**	1.5
Trade payables	2.3.2	6.6.2	**10.1**	8.8
Interest payables			**17.6**	9.9
Tax liabilities based on the taxable income for the period			**0.0**	0.0
Other payables			**38.6**	35.0
Current liabilities total			**233.7**	**380.9**
Liabilities associated with non-current assets held for sale	2.3.2	7	**44.4**	-
Total liabilities			**2,096.0**	2,080.7
Total equity and liabilities			**2,818.9**	**3,085.3**

The notes in the annex form an integral part of the financial statements.

Consolidated income statement
for the year ended 31 December 2023

M€	Note	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Total revenue			
Gross rental income	1.3	**160.7**	162.1
Service charge income		**15.5**	14.9
		176.2	177.1
Expenses			
Bad debt write-offs/bad debt provisions		**-1.0**	-0.5
Property operating expenses	1.4	**-68.9**	-68.3
		-69.9	-68.8
Net operating income		**106.3**	**108.3**
Profit on sales of investment properties	1.1	**-3.4**	36.5
Valuation losses on fair value assessment	1.1	**-327.9**	-195.4
Profit on sales and change on valuation of trading properties	6.5	**5.2**	0.1
Administrative expenses	5 6.1 6.2.2 6.4	**-33.0**	-31.8
Other operating income		**0.2**	0.6
Other operating expenses		**-0.8**	-1.5
Operating profit/ (Loss)		**-253.3**	**-83.2**
Financial income	2.1	**3.9**	18.4
Financial expenses	2.1	**-149.5**	-77.0
Financial income and expenses, total		**-145.5**	**-58.6**
Profit /(loss)before taxes		**-398.9**	-141.7
Income taxes for current and previous fiscal years		**-0.3**	-0.0
Deferred taxes		**40.7**	25.1
Income taxes, total	3	**40.3**	**25.0**
(Loss) for the period		**-358.5**	**-116.7**

The notes in the annex form an integral part of the financial statements.

Consolidated statement of other comprehensive income

for the year ended 31 December 2023

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M€	Note	01.01.2023-31.12.2023	01.01.2022-31.12.2022
(Loss)/profit for the year		**-357.9**	-116.7
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Items arising from the re-measurement of defined benefit liabilities (or assets)		0.0	-0.0
Taxes on items that will not be reclassified to profit or loss	3	0.0	0.0
Items that will not be reclassified to profit or loss, total		0.0	0.0
Items that may be reclassified subsequently to profit or loss			
Translation differences		0.8	2.2
Taxes on items that may be reclassified subsequently to profit or loss	3	0.0	-1.9
Items that may be reclassified subsequently to profit or loss, total		0.8	0.3
Other comprehensive income for the period after taxes		0.8	0.3
Comprehensive loss for the year		**-357.1**	**-116.4**

The notes in the annex form an integral part of the financial statements

Consolidated statement of cash flows
for the year ended 31 December 2023

M€	Note	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Cash flow from operating activities			
(Loss)/profit for the period before taxes		-398.9	-141.7
Adjustments	I		
Profit/loss on sales of investment properties		3.4	-36.5
Valuation gains/losses on fair value assessment		323.5	195.4
Financial income and expenses		145.5	58.6
Other adjustments		-4.5	-3.6
Cash flow before net working capital		69.1	72.2
Change in net working capital	II		
Change in trade and other receivables		0.5	2.6
Change in trading properties		1.5	0.0
Change in non-interest-bearing current liabilities		-6.6	-1.4
Interest received		4.1	1.1
Interest paid		-99.5	-67.5
Other financial items		-15.0	-29.3
Dividends received		0.0	0.0
Taxes paid		-0.3	-0.4
Net cash flow from operating activities		**-46.2**	**-22.7**
Cash flow from investing activities			
Capital expenditure on investment properties	III	-79.5	-76.1
Acquisition of tangible and intangible assets		-0.9	-0.9
Proceeds from disposal of investment properties	IV	37.8	145.5
Proceeds from disposal of real estate funds		-	0.9
Proceeds from tangible and intangible assets		0.1	-
Net cash flow from investing activities		**-42.4**	**69.4**
Cash flow from financing activities			
Increase in invested unrestricted equity reserve		76.1	105.2
Non-current loans, raised		39.2	669.9
Non-current loans, repayments		-36.7	-48.0
Current loans, raised/repayments		-	-759.9
Dividends paid and return from the equity fund		-	-107.2
Change in lease liability (IFRS 16)		-1.2	-2.3
Net cash flow from financing activities		**77.3**	**-142.3**
Change in cash and cash equivalents		-11.3	-95.5
Cash and cash equivalents, beginning of period		101.1	196.5
Impact of changes in exchange rates		0.0	0.1
Cash and cash equivalents, end of period [1)]		**89.8**	**101.1**

[1)] *Figure includes EUR 2.2 million (2022: EUR - million) of cash and cash equivalents associated with assets held for sale.*

The notes in the annex form an integral part of the financial statements

Notes to the consolidated statement of cash flows for the year ended 31 December 2023

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M€		01.01.2023 – 31.12.2023	01.01.2022 31.12.2022
I.			
	Losses (Profit) from sale of investment properties	3.4	-36.5
	Valuation losses	323.5	195.4
	Financial income and costs	145.5	58.6
	Other adjustments	-4.5	-3.6
	Adjustments, total	467.9	213.9
II.			
	Change in trade and other receivables	0.5	2.6
	Change in trading properties	1.5	0.0
	Change in non-interest-bearing borrowings	-6.6	-1.4
	Change in net working capital	-4.5	1.2
III.			
	Net working capital	-	-
	Total non-current assets	-	-
	Net total of assets and liabilities of acquired companies	-	-
	Acquisition cost of companies	-	-
	Cash and cash and cash equivalents of acquired companies at acquisition date	-	-
	Cash flow from acquisitions less cash and cash equivalents of acquired companies	-	-
	Other capital expenditure on investment properties	-79.5	-75.8
	Total acquisition of investment properties	-79.5	-75.8
IV.	*Net working capital*	-26.7	2.0
	Investment properties	54.4	102.7
	Interest-bearing loans and borrowings	27.1	0.6
	Adjustment to Sales gain/loss	-13.7	3.8
	Sales gain/loss	-3.4	36.5
	Net total of assets and liabilities of sold subsidiaries	37.8	145.5
	Investment properties	0.0	0.0
	Sales gain/loss	0.0	0.0
	Total other proceeds from disposal of investment properties	0.0	0.0
	Total proceeds from disposal of investment Properties	37.8	145.5

Notes to the consolidated statement of cash flows for the year ended 31 December 2023 (continued)

Total Liabilities from financial operations

2023	Opening balance	Cash flow	Changes not affecting cash flow: Transfer between balance sheet items	Change in lease liabilities (IFRS 16)	Other changes, not in cash flow	Closing balance
Non-current interest-bearing liabilities[1)]	1,565.5	38.9	147.0	1.6		1,753.0
Other non-current liabilities	0.3	-	-	-	-	0.3
Non-current liabilities total	1,565.8		147.0			1,753.2
Current interest-bearing liabilities[2)]	327.2	0.0	-147.0	0.3		180.5
Other current liabilities	-	-	-	-		-
Current liabilities total	327.2	0.0	-147.0	0.3		180.5
Total liabilities from financing operations [1)]	1,893.0	38.9	0.0	1.9		1,933.7

[1)] *Figure includes EUR 0.6 million (2022: EUR - million) of interest-bearing liabilities associated with assets held for sale.*

[2)] *Figure includes EUR 27.8 million (2022: EUR - million) of interest-bearing liabilities associated with assets held for sale.*

2022	Opening balance	Cash flow	Transfer between balance sheet	Change in lease liabilities (IFRS 16)	Other changes, not in cash flow	Closing balance
Non-current interest-bearing liabilities	1,287.6	609.4	-325.7	-5.8		1,565.5
Other non-current liabilities	0.3				0.0	0.3
Non-current liabilities total	1,288.0	609.4	-325.7	-5.8	0.0	1,565.8
Current interest-bearing liabilities	761.4	-759.9	325.7	-0.0		327.2
Other current liabilities	-					-
Current liabilities total	761.4	-759.9	325.7	-0.0		327.2
Total liabilities from financing operations	2,049.4	-150.5	0.0	-5.8	0.0	1,893.0

Consolidated statement of changes in equity
for the year ended 31 December 2023

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2023 M€		Share capital	Share premium reserve	Other equity fund	Translation difference	Retained earnings	Total
Equity at the beginning of the period- restated		0.0	1,303.6	0.0	-0.8	-298.2	1,004.6
Comprehensive income							
(Loss)/profit for the year						-358.5	-358.5
Other comprehensive income (net of tax)							
Items arising from the re-measurement of defined benefit liabilities (or assets)							
Translation differences	3				0.8		0.8
Comprehensive income, total					0.8	-358.5	-357.7
Transactions with shareholders							
Share issue	4.1						
Increase in equity	4.1		76.1				76.1
Dividend distribution and other capital repayments	4.1 4.2						
Transactions with shareholders, total			76.1				76.1
Change							
Equity as at 31 December 2023		0.0	1,379.7	0.0	-	-656.8	722.9

2022 M€		Share capital	Share premium reserve	Other equity fund	Translation difference	Retained earnings	Total
Equity at the beginning of the year		0.0	1,198.4	0.0	-1.1	-74.3	1,123.0
Comprehensive income							
Profit for the year						-116.7	-116.7
Other comprehensive income (net of tax)							
Items arising from the re-measurement of defined benefit liabilities (or assets)							
Translation differences	3				0.3		0.3
Comprehensive income, total					0.3	-116.7	-116.4
Transactions with shareholders							
Share issue	4.1						
Increase in equity	4.1		105.2				105.2
Dividend distribution and other capital repayments	4.1 4.2					-107.2	-107.2
Transactions with shareholders, total			105.2			-107.2	-2.0
Change							
Equity as at 31 December 2022		0.0	1,303.6	0.0	-0.8	-298.2	1,004.6

The consolidated financial statement were approved by the Board of Managers on the 31 May 2024

The notes in the annex form an integral part of the financial statements.

Notes to the financial statements
for the year ended 31 December 2023

Basic information

Polar Topco S.à r.l. (hereinafter referred to as "the Company") is a Luxembourg company incorporated on 2 June 2017 as a "Société à responsabilité limitée". The registered office of the Company is established at 2-4, rue Eugène Ruppert, L-2453 Luxembourg. The Company is registered with the "Registre de Commerce et des Sociétés" under R.C.S. B 215 535 and is governed by the Law dated 10 August 1915 on commercial companies, as amended.

The Company together with the subsidiaries and other units incorporated within the consolidated financial statements specified in Note 8 (hereinafter collectively referred to as "Polar" or "the Group") is the holding entity of Sponda Ltd a leading real estate investment company that owns, leases and develops commercial properties in the Helsinki metropolitan area and major cities in Finland and Niam V Helsingin Erottajankadun Huippu AB (Sweden) that owns a property located in Helsinki.

Presentation of the financial statements

The Group's financial year starts 1 January and ends on 31 December each year.

The Polar Topco S.à r.l. incorporated on 2 June 2017 and acquired Polar Bidco S.à r.l. the same day. Polar Bidco S.à r.l. acquired control of Sponda Ltd and its subsidiaries on 20 July 2017.

Accounting principles are presented, where applicable, in connection to the notes to the financial statements that are related to the accounting principle in question. Notes have been grouped by topic with the aim of clearly presenting the information that is most relevant to the Group's result and financial position.

For the Group, the most material notes to the consolidated financial statements are investment properties (approx. 90 %) of the consolidated balance sheet total, financing, equity and taxes. Notes pertaining to other consolidated financial statements items are presented briefly in Note 6. In addition to the notes on consolidated financial statements items, notes are presented concerning management, personnel, persons closely associated with the Group and contingent liabilities. If the presentation of a note would not provide added value from the reader's perspective, the note has been filtered out entirely. Materiality has been assessed from both the qualitative and the quantitative perspective.

Summary of Material Accounting Policies

The general accounting policies include the standards and recommendations applied by the Group, the principles of consolidation, the translation of foreign currency items and the definitions of operating result and net operating income. Accounting policies pertaining to individual items in the financial statements are presented in connection with the notes in question.

Basis of preparation

The consolidated financial statements have been prepared in conformity with IFRS Accounting Standards as adopted by the European Union ("IFRS") in force on 31 December 2023.

The consolidated financial statements have been prepared in euros and are presented in millions of euros, rounded to the nearest 0.1 million euro. The consolidated financial statements are prepared on the historical cost basis except for investment properties, investments in real estate funds and certain financial instruments, which are measured at fair value. All figures have been rounded, so the sum of the individual figures may differ from the total amount presented.

Management judgment

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment. This judgment affects the choice of accounting policies and their application, the amount of assets, liabilities, revenues and expenses to be reported, and the notes. In its judgments, management uses estimates and assumptions that are based on earlier experience and management's best understanding on the balance sheet date, especially concerning future developments in the property market.

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Group's management exercises judgment when making decisions about the choice of accounting policies for the financial statements and their application. This concerns in particular situations in which the IFRS standards have alternatives for recognition, valuation or presentation methods.

The preparation of the financial statements in accordance with IFRS requires management to some extent to make estimates and assumption that affect the recognition of assets, liabilities, income and expenses. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates.

In the Group, the most significant estimates and assumptions requiring the management's judgment mainly concern the fair value measurement of investment properties (note 1.2 Fair value measurement of investment properties) and the recognition of deferred taxes (note 3. Taxes). These are described in more detail in the notes in question. Management has exercised its judgment so that individual acquisitions of investment properties at the group are classified as acquired assets. The acquisitions of investment properties classified as assets involve the transfer of assets, and such acquisitions do not involve the transfer of particular business processes or people responsible for them, let alone the related marketing and development activities or the management of tenancies, property repairs and renovation.

Recognising deferred tax assets on the balance sheet requires the management's judgment. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences or unused tax losses can be utilised. It may become necessary to decrease the carrying amount of deferred tax assets if future taxable income differs from the estimate. The deferred tax assets are reassessed on an annual basis in relation to the Group's capacity to produce future taxable profits.

Going concern

The Group's financial statements for the financial year 2023 have been prepared on a going-concern basis.

The Group recognized a loss at the amount of EUR -358.5 million for the year ended 31 December 2023 and as at that date, its current liabilities exceeded current assets by EUR 72.6 million (including assets and liabilities held for sale). The net current liability position resulted from maturity of loans from financial institutions, due to be repaid on 16 August 2024 and 31 December 2024. Total agreed value for the assets held for sale which have been sold after the balance sheet date was EUR 46.9 million. After the balance sheet date, the Group has made prepayment on the loan and the remaining nominal amount on 27 March 2024 was EUR 148.0 million.

A cashflow forecast has been prepared by management which depicts that the net cashflows remain sufficient to cover the running expenses of the Group when they become due, including interest payments on loans for the forthcoming twelve months. This consideration is based on solid and predictable net operating income as the revenues are derived from long term binding leases, status of the refinancing negotiations of the said loan, supportive shareholder, and the total liquidity of the Group (cash and committed credit facilities together) stand at approx. EUR 275 million, available to finance, besides operational cash flow, also planned investments.

Considering the factors outlined above, management has a reasonable expectation that the Group has and will have adequate resources to continue in operational existence for the foreseeable future.

Changes in accounting policies and notes presented with the financial statements

New and revised standards applied in the financial year ended 2023

Amendment to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

Amendments clarify the application of materiality to disclosure of accounting policies. The amendment is not estimated to have an impact on the group's IFRS financial statements.

Amendment to IAS 8 – *Definition of Accounting Estimates*

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The amendment is not estimated to have an impact on the group's IFRS financial statements.

Amendment to IAS 12 – *Income Taxes (Deferred tax related to assets and liabilities arising from a single transaction)*

The amendments narrow the initial recognition exemption (IRE) and clarify that the exemption does not apply to individual transactions, such as lease agreements and demolition obligations, which result in equal and opposite temporary differences. The amendment is not estimated to have an impact on the group's IFRS financial statements.

Amendments to IAS 12 – Income taxes (International tax reform – Pillar 2 model rules)

The amendments make it easier for the accounting treatment of deferred taxes resulting from the international tax reform of the OECD (Organization for Economic Cooperation and Development) and require the presentation of new supplementary information, which aims to compensate for the possible loss of information caused by the facilitation. The amendment is not estimated to have an impact on the group's IFRS financial statements.

New and amended standards and interpretations that came into force from the beginning of 2024

According to the preliminary assessment, the following renewed or changed standards will not have a significant impact on the group's financial statements. The estimate will be refined during the 2024 financial year.

Amendments to IFRS 16 – Leases

The amendments add a new accounting model for variable payments and require the lessee to reassess and possibly correct sale and leaseback transactions made after the introduction of IFRS 16 in 2019.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current Date; Classification of Liabilities as Current or Non-current – Deferral of Effective Date; Non-current Liabilities with Covenants

The amendments are to promote consistency in application and clarify the requirements for determining if a liability is current or non-current. The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The amendments require to disclose information about these covenants in the notes to the financial statements. The amendments also clarify transfer of a company's own equity instruments is regarded as settlement of a liability. Liability with any conversion options might affect classification as current or non-current unless these conversion options are recognized as equity under IAS 32. ***Changes to IAS 7 – Cash flow statement and to IFRS 7 – Financial instruments***

The aim of the amendments is to improve the transparency of supplier financing arrangements and to clarify their effects on financial liabilities, cash flows and the total amount of liquidity risk. The amendments require the presentation of qualitative and quantitative information on supplier financing arrangements.

Changes to IAS 21 – Effects of changes in exchange rates

The amendments require a uniform approach when assessing when a currency can be exchanged for another currency, and if it is not convertible, when determining which exchange rate can be used and which supporting information must be provided.

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Changes to IAS 10 – Consolidated financial statements and IAS 28 – Investments in associates and joint ventures

The amendments remove the conflict between the current guidelines related to consolidation and the equity method and require the full profit to be recorded when the transferred assets meet the definition of a business according to the IFRS 3 Business Combinations standard.

Principles of consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of Polar Topco S.à r.l. and its subsidiaries as of 31 December each year. The companies incorporated within the consolidated financial statements for the financial year 2023 are specified in Note 8.

Subsidiaries are companies that the Group controls. The criteria for control are fulfilled when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

Mutual real estate companies and other arrangements whose shares carry an entitlement to have control over specified premises, and in which the Group's holding is less than 100 per cent, are consolidated in the Group's financial statements in proportion to the Group's holding in these companies as joint operations, in accordance with IFRS 11 "Joint Arrangements". This means that they are consolidated line by line according to the Group's share of the joint arrangement's assets, liabilities, income and expenses. All mutual real estate companies, including those in which the Group's holding is less than 50 per cent, are recognised as joint operations as described above.

IFRS 3 (Business Combinations) is applied to acquisitions in which a business is acquired. Intra-Group holdings have been eliminated by the acquisition method. The consideration transferred and the detailed assets and accepted liabilities of the acquired company are measured at fair value. Goodwill is recorded as the sum of consideration transferred, interest of non-controlling shareholders in the acquiree and previously held interest in the acquiree minus the fair value of the acquired net assets. Acquisitions that do not fall within the definition of a business are recognised as acquired assets.

The classification by Sponda of individual acquisitions of investment properties as acquired assets is based on the view that a single property and its lease agreements do not form a business entity. To constitute a business entity, they would require related marketing and development activities as well as management of tenancies, property repairs and renovation. Acquisitions of investment property classified as assets do not involve the transfer of business processes or employees responsible for them.

The results of subsidiaries disposed of during the financial year are consolidated until the date that control in them ceases. Subsidiaries acquired during the financial period are consolidated from the date that control commenced. All intra-group transactions, receivables, liabilities and unrealised margins, as well as distribution of profits within the Group, are eliminated in the preparation of consolidated financial statements.

Transactions with non-controlling interests

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Translation of foreign currency items

Functional currency and presentation currency

Items pertaining to the result and financial position of the Group's units are measured using the currency of the primary economic environment in which the unit operates ("the functional currency"). The consolidated financial statements are presented in euro, which is the functional and presentation currency of the Group's parent company.

Transactions and balances

Transactions carried out in foreign currencies are recorded in the functional currency at the exchange rate on the transaction date. Monetary receivables and liabilities denominated in foreign currencies are translated into euros at the exchange rate at year-end. Non-monetary items denominated in foreign currencies are valued at the exchange rate on the transaction date, except for items valued at fair value, which are translated into euros using the exchange rates on the valuation date.

Gains and losses arising from transactions denominated in foreign currencies and from translating monetary items are recorded under financial income and expenses in the income statement. Exchange rate gains and losses from business operations are included in the relevant items above operating result.

Group companies

The revenue and expense items in the comprehensive income statements and separate income statements of foreign Group companies that use a functional currency other than the presentation currency are translated into euros using the average rate for the financial year, and balance sheets using the rate on the balance sheet date, which gives rise to a translation difference that is recorded in the balance sheet in shareholders' equity, and the change in this is recorded in other comprehensive income. Translation differences arising from the elimination of the acquisition cost of foreign subsidiaries and from equity items accumulated after acquisition are also recorded in other comprehensive income. Translation differences from selling a subsidiary are recorded in the income statement under capital gains or losses.

Definitions

Net operating income

Net operating income is defined as the net amount after deducting certain expenses from total revenue. Expenses include:

- property operating expenses that are maintenance and annual repair costs arising from the regular and continuous maintenance of the properties and are recognised immediately in the income statement as well as property legal and professional fees
- bad debt write-offs and bad debt provisions.

In Group, total revenue includes gross rental income and service charge income. In Group's consolidated financial statements the total amount of rental reliefs is accrued over the remaining lease agreement period.

Operating result

In the Group, operating result is defined as the net amount after

- adding other operating income to net operating income
- deducting administrative expenses and other operating expenses and
- adding or deducting gains/losses from the disposal of investment properties, from fair value measurement and from the disposal of trading properties and associated companies.

Other operating income and expenses include income and expenses that deviate from normal operations.

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1. Investment properties

Sponda Ltd is a property investment company specialising in leasing, developing and owning commercial properties. It is a fully owned subsidiary of Polar Bidco S.à.r.l, which acquired Sponda Ltd in 2017. At the end of 2023, Sponda owned a total of 98 leasable properties with a total leasable area of approximately 0.8 million m^2.

On 28 August 2018, the Group acquired Niam V Helsingin Erottajankadun Huippu AB "Erottaja", a holding company which owns two holding companies and a property company in Finland.

The investment properties section describes the accounting policies and fair value measurement principles related to investment properties and provides information on changes in investment properties during the year as well as future commitments.

1.1 Investment properties in the consolidated statement of financial position

Accounting principle

An investment property is a property held by the Group for the purpose of earning rental income or for capital appreciation, or for both reasons. Group measures its investment properties using the fair value method, as stated in IAS 40, Investment Property, under which the profit or loss from changes in fair values is recognised through profit or loss in the period in which it is incurred.

An investment property is derecognised from the balance sheet when it is divested or taken permanently out of use. Gains and losses on sales of investment properties are presented as a separate item in the income statement.

Investment properties are valued initially at acquisition cost, including transaction costs. In measurements after the initial recognition, the fair value is used. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. An investment property's fair value reflects the actual market circumstances on the balance sheet date, best manifested in prices paid on the active market under current market conditions at the measurement date for properties with a corresponding location and condition to those of the property under review and that are subject to corresponding lease or other contracts. Reliable reference transaction prices are rarely available due to the individual characteristics of commercial premises. If reliable market-based prices are not available, the measurement of fair value uses the discounted cash flow method, which is based on existing and expected income and expense levels.

Investment properties for development

The acquisition cost for an investment property built by the company itself consists of the construction costs, capitalised borrowing costs and other costs accumulated by the completion date. Development projects in which a new building or extension to a building is being constructed and that are unfinished at the balance sheet date are valued in accordance with IAS 40 Investment Properties at fair value.

The risk arising from the unfinished property, including those relating to the leasing of the property, are taken into account in the same way as when valuing other investment properties.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Investment Properties Held for sale

If the sale of an operative investment property is deemed probable, such a property is transferred to "Assets held for sale" in the statement of financial position. Classification as "Assets held for sale" requires that the following criteria are fulfilled: the sale is deemed highly probable, the property is available for immediate sale in its present condition subject to usual and customary terms, the management is committed to a plan to sell the property and the sale is expected to qualify for recognition as a completed sale within one year. Investment properties held for sale are still recognised at fair value in accordance with IAS 40.

Valuation gains/losses on fair value assessment

M€	2023	2022
Change in value	-254.6	-112.7
Modernisation investments	-67.6	-61.2
Investment properties change in fair value	**-322.1**	**-173.9**
Real estate funds	-	-18.0
Rent free adjustments	-4.1	-1.9
IFRS 16 right-of-use asset depreciation	-1.7	-1.6
Group, total	**-327.9**	**-195.4**

Investment properties

M€	31/12/2023	31/12/2022
Fair value of investment properties, 1 Jan.	2,832.6	2,995.3
Non-current assets held for sale, 1 Jan.	-	47.0
Other capital expenditure on investment properties	94.1	75.8
Disposals of investment properties	-14.4	-102.7
Valuation losses on fair value assessment	-322.1	-173.9
Transferred to non-current assets classified as held for sale	-60.7	-
Rent free adjustment	-4.1	-1.9
IFRS 16 right-of-use asset depreciation	-1.7	-1.6
Other changes[1) 2)]	16.6	-5.4
Fair value of investment properties, end of period	2,540.3	2,832.6
Investment properties held for sale	60.7	-

1) Includes other changes that are not presented as Valuation losses on fair value assessment like increases or decreases to IFRS 16 right-of-use assets.

2) *Includes EUR -11.2 (-) million associated with transfer of Korkeavuorenkatu 45 from own use to investment property.*

Profit/ loss on sales of investment properties

M€	2023	2022
Profit on sales	0.2	63.5
Loss on sales	-3.6	-27.1
Total	**-3.4**	**36.5**

The Group had no selling price receivables at the end of December 2023.

Notes to the financial statements for the year ended 31 December 2023 (continued)

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1.2 Fair value measurement of investment properties

Accounting principle

From 2020 onwards external appraiser has determined the fair value of Polar Group's entire investment property portfolio. Basis of this valuation is IFRS 13, Fair Value Measurement. Fair Value of the investment properties is compared to market value. These methods fulfil the valuation criteria of the IFRSs and IVS (International Valuation Standards) as well as the AKA (Finnish authorised real estate auditors) criteria for good property valuation practice. Polar's property portfolio in Finland were assessed by Catella Property Oy.

Significant assumptions used in fair value calculations, on average

	Finland	
	2023	**2022**
Yield requirement, %	5.8	5.4
Initial yield, %	4.2	4.2
Computational economic occupancy rate in first year of calculation, %	72.1	71.1
Rental income as per agreements, €/m²/month	29.3	26.3
Market rents, €/m²/month	24.4	23.9
Long term maintenance costs used in calculations, €/m²/month	6.5	5.6

Changes in the significant assumptions used in fair value calculations are based on market changes and the effects of new and maturing lease agreements on the property portfolio.

Fair value hierarchy of investment properties

M€	*31.12.2023*	*31.12.2022*
Quoted prices (Level 1)	-	-
Observable inputs (Level 2)	-	-
Unobservable inputs (Level 3)1)	*2,601.0*	*2,832.6*
Total[1)]	***2,601.0***	***2,832.6***

1) Includes EUR 60.7 (-) million investment properties held for sale.

All investment properties belong to level 3 in the fair value hierarchy, meaning they are not based on observable market data (other than observable input data).

Invest Investment property changes (Level 3 roll forward)ment property changes (Level 3 roll forward)

M€	*2023*	*2022*
Fair value, 1 January	*2,832.6*	*2,995.3*
Investment properties held for sale, 1 January	-	*47.0*
Investment properties reclassified as held for sale	*-60.7*	-
Investments	*94.1*	*75.8*
Disposals	*-14.4*	*-102.7*
Gains/ losses included in the consolidated income statement[1)]	*-327.9*	*-177.4*
Other changes[2) 3)]	*16.6*	*-5.4*
Fair value, end of period	*2,540.3*	*2,832.6*

1) Includes EUR -0.5 (-) million financial expenses and EUR -349.5 million valuation losses on fair value assessment
2) Includes other changes that are not presented as Valuation losses on fair value assessment like increases or decreases to IFRS 16 right-of-use assets.
3) Includes EUR -11.2 (-) million associated with transfer of Korkeavuorenkatu 45 from own use to investment property.

Sensitivity analysis of investment property fair value

The table below shows the euro-denominated and relative potential change in the value of investment properties if the fair value measurement parameter shown on the vertical axis changes according to the percentage shown on the horizontal axis.

Change in investment property fair value, M€ and %, 31 December 2023

	-10%		-5%		0%	5%		10%	
	Change, M€	Change, %	Change, M€	Change, %	M€	Change, M€	Change, %	Change, M€	Change, %
Yield & Discount requirement	301.0	12.4	143.0	5.9	0.0	-128.0	-5.3	-247.0	-10.1
Rental income (contractual rents)	-74.0	-3.1	-37.0	-1.5	0.0	38.0	1.6	76.0	3.1
Maintenance expenses	102.0	4.2	52.0	2.1	0.0	-51.0	-2.1	-102.0	-4.2
Economic occupancy rate (1st year)	-17.0	-0.7	-8.0	-0.3	0.0	9.0	0.4	18.0	0.8

Change in investment property fair value, M€ and %, 31 December 2022

	-10%		-5%		0%	5%		10%	
	Change, M€	Change, %	Change, M€	Change, %	M€	Change, M€	Change, %	Change, M€	Change, %
Yield & Discount requirement	330.0	12.4	159.0	5.9	0.0	-138.0	-5.2	-264.0	-9.9
Rental income (contractual rents)	-44.0	-1.6	-20.0	-0.8	0.0	26.0	1.0	49.0	1.8
Maintenance expenses	104.0	3.9	53.0	2.0	0.0	-48.0	-1.8	-98.0	-3.7
Economic occupancy rate (1st year)	-15.0	-0.5	-7.0	-0.2	0.0	11.0	0.4	19.0	0.7

The analysis includes only investment properties generating cash flows, excluding land plots.

All investment properties belong to level 3 in the fair value hierarchy, meaning they are not based on observable market data (other than observable input data).

Risks associated with business operations in Russia

Due to the conflict in Ukraine, Group decided to complete the divestment of its holdings in Russia during 2022. Group has sold all its properties in Russia during 2022 and the liquidation of the remaining two companies was completed during 2023. As a result of these measures, Group has no business risks related to Russia at the time of closing the accounts.

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1.3 Revenue from investment properties

Accounting principle

Group's revenue mainly consists of rental income from its investment properties.

Rental income from gross rent leases as well as separate capital and maintenance rent leases are recognised in the income statement on a straight-line basis over the lease term. Rental income linked to the tenant's turnover is recognised based on the tenant's actual turnover.

Maturity dates for lease agreements (%)

	2023	2022
1 year	15.1	19.5
2 years	13.2	11.8
3 years	12.0	10.7
4 years	10.5	8.1
5 years	10.6	9.6
6 years	4.0	4.5
After more than 6 years	15.8	13.1
Valid until further notice (UFN)	18.8	22.6

Future minimum lease payments 2024:

M€	2024	2025-2028	2029-	Total
Expected rental income	149.4	316.7	200.9	666.9

Future minimum lease payments 2023:

M€	2023	2024-2027	2028-	Total
Expected rental income	**143.5**	**281.3**	**154.2**	**578.9**

The expected rental income is calculated based on current lease contracts without index increases. Income from lease contracts valid until further notice are included up to the end of the notice period stated in the contract.

1.4 Maintenance expenses

Maintenance expenses are maintenance and annual repair costs arising from the regular and continuous maintenance of the properties including property related legal and professional fees which are recognized immediately in the income statement.

M€	2023	2022
Property operating expenses		
Heating and electricity	-20.2	-18.9
Maintenance	-15.8	-16.7
Property taxes	-12.7	-12.5
Repair	-7.8	-8.0
Marketing	-3.6	-3.0
Property management	-3.6	-3.7
Legal, professional fees and commissions	-1.0	-0.5
Other operating expenses	-4.1	-4.9
Total	**-68.9**	**-68.3**

1.5 Investments and investment commitments

During 2023 total investments of Group were EUR 96.9 million (2022: EUR 76.6 million) from which EUR 94.1 million (2022: EUR 75.8 million) was related to investment properties. Investments to development projects were EUR 53.6 million (2022: EUR 38.5 million).

Group has several ongoing investment projects. Total investments during 2024 are expected to be approximately EUR 116.4 million.

Notes to the financial statements for the year ended 31 December 2023 (continued)

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2. Financing

The Financing section includes notes on financial income and expenses, financial instruments and risks as well as capital management and financial assets and liabilities.

In 2023, Group extended EUR 303.4 million loan that matured in February 2023. During the period EUR 36.9 million was withdrawn from capex facilities and EUR 7.4 million of interest-bearing debt was repaid due to disposal and loan repayment. In 2023, the nominal value of interest-bearing loans from financial institutions increased by EUR 29.5 million. All interest-bearing loans from financial institutions are secured.

2.1 Financial income and costs

M€	2023	2022
Financial income		
Interest income on loans and receivables	3.7	1.1
Other financial income	0.5	0.6
Exchange rate gains, realised	-0.1	1.4
Fair value change of interest rate derivatives	-0.2	15.3
Total	**3.9**	**18.4**
Financial expenses		
Interest expenses on liabilities recognised at amortised cost	-127.7	-69.0
Interest expenses from IFRS 16 lease liabilities	-0.9	-0.7
Other financial expenses, loan management expenses	-18.9	-4.6
Exchange rate losses, realised	-0.0	-2.5
Recognised at fair value through profit and loss	-2.0	-0.2
Total	**-149.5**	**-77.0**
Net financing costs	**-145.5**	**-58.6**

2.2 Cash and cash equivalents

Cash and cash equivalents comprise cash in bank accounts. Items classified as cash and cash equivalents have a maturity of less than three months from the acquisition date.

The carrying amount of the Group's cash and cash equivalents is comprised of the following currency denominated amounts:

M€	2023	2022
Euro [1]	89.8	101.0
Russian Ruble [2]	-	0.1
Total	**89.8**	**101.1**

[1])Figure includes EUR 2.2 million (2022: EUR - million) of cash and cash equivalents associated with assets held for sale

[2] Year 2022 is converted to euros using 31.12.2022 Reuters rate 79.01.

[3] From the total cash of EUR 89.8 million (2022: EUR 101.1 million), an amount of EUR 60.0 (2022: 64.9 million) is restricted

2.3 Financial instruments

2.3.1 Financial risk management

The objective of risk management is to minimise the unfavourable impacts of changes in the financial markets on the Group's profits and cash flow. The Group's treasury unit identifies and assesses risks and is responsible for practical risk management measures. Group's main financial risks are interest rate risk, risks concerning access to financing, credit risk and exchange rate risk. The Group's operational financing activities are centrally handled by its treasury unit.

Derivative instruments

Group uses derivative contracts mainly to hedge its interest rate risk exposure.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently recognised at fair value. The fair values of derivatives used for hedging purposes are presented in paragraph 2.3.2 in the table "Carrying amounts of financial assets and liabilities by category". The full fair value of a derivative used for hedging is classified as a non-current financial asset or liability if the derivative matures after more than 12 months, and as a current financial asset or liability if it matures within 12 months.

Interest derivatives have been concluded for the purpose of hedging the loan portfolio and they are valued in the financial statement at fair value. The fair value represents the result if the derivative position had been closed on the balance sheet date. The fair values presented are based on the assessments by the counterparty bank. In addition, Group checks the valuations using methods that are generally available on the market, employing public market data derivatives calculator and market quotes. The fair values and nominal values of interest rate derivatives are presented in paragraph 2.3.2 in the table "Derivative instruments".

The interest rate derivatives used by the company have been defined as derivatives that do not meet the criteria for hedge accounting. Group does not apply hedge accounting to interest rate options. The change in the fair value of interest rate caps is recognised in profit or loss.

Net losses/gains for the period recognised in other comprehensive income items are presented under "Consolidated statement of comprehensive income".

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Interest rate risk

The Group uses floating rate loans in financing its operations, and these are the source of the company's interest rate risk. Increased interest rates have resulted in higher interest expenses of the Group and higher hedged interest rate level has increased the average interest rate compared to previous year. The Group has hedged against interest rate risk by purchasing interest rate options and interest rate swaps. Interest rate options and swaps are used to reduce growth in future interest flows caused by a rise in short-term market rates.

On the balance sheet date, the aggregate nominal value (hedging rate) of fixed-rate loans with a maturity of more than one year and of the interest rate derivatives used to manage interest rate risk was 87.0 (2022: 100.0) % of the Group's interest-bearing liabilities. The average fixed interest rate period was 0.2 (2022: 0.2) years, not including interest rate options and the average fixed interest rate period including interest rate derivatives was 1.2 (2022: 1.5) year.

The Group did not apply hedge accounting to interest rate derivatives in the 2023 financial statements. The nominal amount of Group's interest-bearing loans from financial institutions increased by approximately EUR 29.5 million in 2023.

Interest rate risk sensitivity

The Group analyses its interest rate position by simulating changes in market interest rates. The treasury unit calculates a forecast of interest expenses for the coming year and its interest rate sensitivity. The following assumptions have been made when calculating the sensitivity to change in interest rates:

– the short-term market rates at the stated balance sheet date may rise or fall by one percentage point[1)]

– the calculation includes the nominal value of interest-bearing liabilities EUR 1,903.9 million (2022: EUR 1,893.0 million)

– the calculation includes current derivative contracts, totaling EUR 1,812 million (2022: EUR 1,888 million)

The calculation aims to measure the impact of changes in short-term market rates on the interest expenses of the company's loans and correspondingly on the income to be obtained from interest rate derivatives or on the costs to be paid in the following year. The figures are presented net. The financial instruments used in the calculation are accounted for in accordance with the IFRS definitions mentioned in the company's accounting principles for the financial statements. The interest rates used are the official interest rates quoted on the last banking day on the balance sheet date.

[1)] On 31 December 2022 all short-term market rates relevant to the calculation were negative.

Sensitivity to interest rate risk

	31.12.2023	31.12.2022
M€	Income statement	Income statement
One percentage point rise in market rates (+)	-8.6	-4.6
One percentage point fall in market rates (-)	10.8	4.6

The sensitivity calculation is not inclusive of the deferred tax effect.

Liquidity and refinancing risk

The Group assesses and monitors the amount of financing required by its business operations on a daily basis to ensure the sufficiency of liquid funds for financing purposes. The Group's liquidity position and forecast are drawn up every payment day. The Group estimates that the risk of the availability of financing to core assets is moderate due to the owner having access to very extensive international financing sources. The Group's major creditors are large international banks with very substantial lending resources. Financing of the Group consists of independent parts, with no cross collateralization between the parts.

The short-term loan in 2022 with nominal value of EUR 303.4 million of certain companies in the Group fell due in February 2023 and extension negotiations were concluded in December 2023 with a 2+1-year extension on the loan. There is on balance sheet date EUR 178.7 million loan due in August 2024 and 15.0 million loan due in December 2024, which are expected to be refinanced before the due date. Group has repaid EUR 30.7 million of this loan in February 2024. Due to stricter lending policies of the banks, it is possible that the loan is partly repaid in connection with the refinancing.

All interest-bearing loans from financial institutions are secured, including the interest-bearing debt extended in 2023. Group has also undrawn capex facilities totalling EUR 185.5 million. During 2023 Group drew EUR 36.9 million from capex facilities.

On the financial position date, the Group's cash and cash equivalents, including assets for sale totaled EUR 89.8 million (2022: EUR 101.1 million) of which cash and cash equivalents on pledged bank accounts total EUR 75.8 million (2022: EUR 94.3 million).

The table below and the table "Maturity of non-current liabilities" in section 2.3.2 present a maturity analysis of the Group's agreements. The average maturity of the Group's loans on 31 December 2023 was 2.0 (2022: 2.6) years. There are certain extension options in all loans from financial institutions that Group can exercise and partly has done so.

Cash flows for repayments and financing expenses for financial liabilities based on contracts were as follows:

31.12.2023, M€	Within 2 months	2-12 months	1-2 years	2-5 years	Over 5 years	Total
Loans from financial institutions	18.2	285.8	746.5	797.5	1.3	1,849.3
Trade and other payables	13.4	-	-	-	-	13.4
Interest liabilities[1)]	17.6	-	-	-	-	17.6
IFRS 16 lease liability	0.4	1.3	1.7	4.0	23.0	30.4
Total	**49.6**	**287.1**	**748.2**	**801.5**	**24.3**	**1,910.7**

31.12.2022, M€	Within 2 months	2-12 months	1-2 years	2-5 years	Over 5 years	Total
Loans from financial institutions	332.3	74.8	255.4	1,473.5	1.3	2,137.3
Trade and other payables	9.4	-	-	-	-	9.4
Interest liabilities[1)]	9.9	-	-	-	-	9.9
IFRS 16 lease liability	0.4	1.1	1.4	4.0	21.7	28.6
Total	**352.0**	**75.9**	**256.8**	**1,477.5**	**23.0**	**2,185.2**

[1)] Interest liabilities are included also in the figures for Loans from financial institutions

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Credit risk

Credit risk arises from the possibility that the counterparty in a contract fails to fulfil their obligations as given in the contract. The Group's most significant credit risks on the balance sheet date arose from rent receivables, trade receivables and derivate contracts. The Group has no major concentrations of receivables or credit risks.

To avoid risks from counterparties, the Group uses only financially solid banks with a good credit rating as counterparties in derivative contracts. The banks' credit rating in terms of their long-term acquisition of funds must be classified as at least A- by S&P's (or an equivalent credit rating company). Sponda Ltd's Board of Directors decides on acceptable counterparties, on counterparty limits and on the permitted financial instruments. In derivative trading with counterparties, Sponda observes the stipulations given by ISDA (International Swaps and Derivatives Association, Inc.) or the regulations issued by corresponding institutions. The maximum amount of credit risks is the carrying amount of the financial assets is EUR 104.8 (132.0) million. The itemisation is presented in section 2.3.2 in the table "Carrying amounts of financial assets and liabilities by category".

Tenant risk is managed by analysing the creditworthiness of tenants before leases are signed, by requiring rent deposits, and by the monthly collection of rent. The business units responsible for leasing properties are responsible for arranging collateral for rents. The maximum amount of the risk is the total carrying amount of the receivables less the amount of the collateral. Total collateral for rents received amounted to EUR 49.3 (2022: EUR 38.6) million. Collateral for rents is primarily in the form of bank deposits or bank guarantees. Collateral is not, however, required for separately approved counterparties such as the Finnish state or municipalities. Collateral received in fulfilment of lease obligations may be used to cover the company's receivables without informing the tenant on the matter. Colliers Finland Oy monitors the Group's rent receivables. The company's trade receivables on the balance sheet year 2023 were composed almost entirely of rent receivables. The Company considers that the trade receivables risks are at low level.

The total amount of rent receivables on the balance sheet date was EUR 4.3 million (2022: EUR 4.2 million). The total rent unpaid for more than three months was EUR 1.7 million. The Group recorded credit losses of EUR 1.1 million for rent receivables in 2023.

The Group recognises a final credit loss when a tenant is found to be without means in the debt collection process or when it has received reliable advance information on the bankruptcy estate's share or when the company's share of a bankruptcy is conclusively confirmed. The Group uses well-known external debt-collection firms to collect receivables.

The collateral for a selling price receivable is primarily a real security. The real security for selling price receivables is typically real estate mortgages for the sold property or shares. In some cases, a selling price receivable can be in a blocked account until the possession of the property is transferred to the buyer or outstanding terms of the transaction are fulfilled. Payment of the selling price receivable can also be considered to be sufficiently certain based on the sales agreement that no separate security or use of a blocked account is required. The Group did not have any selling price receivables at the end of December 2023.

In addition, the company has given guarantees as security for the commitments of the property companies it owns. The guarantees are typically guarantees relating to the construction phase of a new company, in which the beneficiary is almost always the city. The amount of the guarantees, EUR 3.1 (3.1) million is small in proportion to the carrying amount of the companies owned. The guarantees given are not expected to cause significant costs to the Group.

Currency risk

Accounting principle

The currency risk related to foreign currency denominated rental income received by the Russian companies owned by the Group is occasionally hedged with bought currency options. Changes in the fair value of currency options are recognised through profit or loss.

The conflict in Ukraine that started in February 2022 confirmed the decision for Group to complete the exit from Russia in 2022. Group has sold all its properties during 2021 and 2022 in Russia and the liquidation of local companies was registered in 2023. The Group has no foreign operations anymore and therefore changes in the exchange rates do not affect Sponda Group's financial position and operations.

Managing the capital structure

The objective of managing the Group's capital structure is to optimise the capital structure in relation to prevailing market conditions at any time. The Group's equity ratio is 25.7 (32.6) % on the balance sheet date.

Factors affecting the Group's capital structure, in addition to the result, include capital expenditure, asset sales, acquisitions, dividend payments, equity transactions and measurement at fair value. The Group's loan agreements do not include any covenants the breach of which would lead directly to liquidation procedures. The company estimates the owner having strong connections on the financial market and there being availability to renew loans along with potential partial repayments of loans. In case a part of the current financing would fall due, it does not automatically become payable without separate notice process. In addition, the Group's loan agreements do not have cross default clauses.

The Group's interest-bearing liabilities increased by approximately EUR 26.5 million during 2023, totalling to EUR 1,933.4 (1,892.7) million at the end of December 2023. The increase was mainly due to capex facility withdrawals.

The Group's capital structure and equity ratio were as follows:

M€	2023	2022
Interest-bearing liabilities [1)]	1,933.4	1,892.7
Cash, funds in bank and interest-bearing receivables[2)]	89.8	101.1
Interest-bearing net liabilities	1,843.6	1,791.6
Total equity	722.9	1,004.6
Consolidated statement of financial position total	2,818.9	3,085.3
Equity ratio	25.6%	32.6%

[1)]*Figure includes EUR 43.5 million (2022: EUR - million) of interest-bearing liabilities associated with assets held for sale.*
[2)]*Figure includes EUR 2.2 million (2022: EUR - million) of cash and cash equivalents associated with assets held for sale.*

Fair value measurement

Financial assets at fair value through profit or loss in the consolidated financial statements, namely investment properties, investments in real estate funds and derivative instruments, are classified according to the valuation method. The levels used are defined as follows:

- quoted (unadjusted) prices for identical assets or liabilities on active markets (level 1)

- input data other than the quoted prices included in level 1 which are observable for the asset or liability in question either directly (i.e. as a price) or indirectly (i.e. derived from prices) (level 2)

- input data concerning the asset or liability that are not based on observable market data (other than observable input data) (level 3).

The Group's derivative instruments at fair value are presented in Note 2.3.2 along with a more detailed description of how derivative instruments are measured at fair value. Information concerning investment properties at fair value is presented in Note 1, and information on investments in real estate funds at fair value is presented in Note 6.3.

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2.3.2 Financial assets and liabilities

Accounting principle

Group's financial assets are classified as follows: financial assets recognised at fair value through profit or loss and financial assets measured at amortised cost. Correspondingly, financial liabilities are classified as financial liabilities recognised at fair value through profit or loss and financial liabilities measured at amortised cost. The classification is based on the business models defined by the company and the purpose for which the financial assets or liabilities were acquired. The company's management decides on the classification of financial assets and liabilities in conjunction with their initial recognition.

Financial assets and liabilities are recognised initially at fair value based on the consideration received or paid. Transaction costs are included in the original carrying amount of financial assets and liabilities for items that are not measured at fair value through profit or loss. Transaction costs related to financial assets and liabilities measured at fair value through profit or loss are recognised immediately on the income statement. All purchases and sales of financial assets and liabilities are recognised on the value date, which is the date on which the cash flow from the purchased or sold financial instrument is realised, and derivatives are recognised on the transaction date.

Financial assets are derecognised from the balance sheet when the Group has lost the contractual right to the cash flows or when it has transferred a significant part of the risks and yield outside the Group. A financial liability is removed from the balance sheet only when it has lapsed, i.e., when the obligation specified in the contract expires.

***Financial assets recognised at fair value through profit or loss** contain assets held for trading. Items belonging to financial assets are recognised in this category if they are acquired primarily to be sold in the near future. The company did not have assets held for trading on the balance sheet date. Derivatives to which hedge accounting is not applied are recognised in this category. Assets in this category are classified as current assets unless they mature after more than 12 months after the end of the reporting period.*

The items in this category are measured at fair value and the fair value of all the investments in this category are based on publicly quoted prices or generally accepted option pricing models. Realised and unrealised gains and losses resulting from changes in the fair value are recognised in the income statement in the period in which they are incurred.

***Payments relating to amortised cost** are fixed or determinable, they are not quoted on the active market, and the company does not hold them for trading purposes. They are classified as current assets, unless they mature after more than 12 months after the end of the reporting period, in which case they are classified as non-current assets. This category includes the Group's financial assets (Cash and cash equivalents, trade receivables and other financial assets and non-current financial assets) that have been obtained by handing over cash, goods or services to a debtor.*

The assets in question are measured at amortised cost using the effective interest method. The Group recognises an impairment loss for an individual receivable if there is objective evidence that the receivable will not be recovered in full. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, or the probability of bankruptcy or another financial reorganisation.

***Financial liabilities measured at amortised cost** include the Group's financial liabilities that are initially recognised at fair value, net of transaction costs incurred. These financial liabilities are subsequently measured at amortised cost using the effective interest method. The difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over time using the effective interest method. Financial liabilities are included in non-current and current liabilities, and they can be interest-bearing or non-interest-bearing. This category includes interest-bearing loans from financial institutions, lease liability, interest liabilities and trade payables and other financial liabilities.*

***Liabilities recognised at fair value through profit or loss** include derivative liabilities to which hedge accounting is not applied. Financial assets and liabilities have not been offset in the financial statements.*

Carrying amounts of financial assets and liabilities by category

M€	2023 Carrying amount	2023 Fair value	2022 Carrying amount	2022 Fair value
Financial assets				
Financial assets recognised at fair value through profit or loss				
Interest rate derivatives[1)]	7.9	7.9	28.3	28.3
Total	**7.9**	**7.9**	**28.3**	**28.3**
Financial assets recognised at amortised cost				
Trade receivables and other financial assets	7.1	7.1	2.6	2.6
Cash and cash equivalents[2)]	89.8	89.8	101.1	101.1
Total	**104.8**	**104.8**	**132.0**	**132.0**
Financial liabilities				
Financial liabilities recognised at amortised cost				
Interest-bearing loans and borrowing[3)]	1,903.0	1,903.0	1,864.1	1,889.5
IFRS 16 lease liability [4)]	30.4	30.4	28.6	28.6
Interest liabilities [5)]	17.8	17.8	9.9	9.9
Trade payables and other financial liabilities	14.4	14.4	9.4	9.4
Total	**1,965.6**	**1,965.6**	**1,912.0**	**1,937.4**

[1)] *Figure includes EUR 0.3 (-) million of Interest rate derivatives associated with assets held for sale*

[2)] *Figure includes EUR 2.2 (-) million of cash and cash equivalents associated with assets held for sale*

[3)] *Figure includes EUR 28.4 (-) million of interest-bearing liabilities associated with assets held for sale*

[4)] *Figure includes EUR 15.0 (-) million of lease liabilities associated with assets held for sale*

[5)] *Figure includes EUR 0.2 (-) million of interest liabilities associated with assets held for sale*

All derivative instruments are measured at fair value on the balance sheet. Derivative instruments correspond to level 2 of fair value hierarchy. Transfers between levels in the hierarchy did not occur during the year. Interest-bearing debt is measured at amortised cost using the effective interest rate method. All other items are valued at cost on the balance sheet.

The Group does not have financial instruments offset in the balance sheet. The net value of financial instruments (derivatives) subject to netting agreements in the company is zero. The netting of derivative instruments would be done according to ISDA or an equivalent master agreement.

Notes to the financial statements for the year ended 31 December 2023 (continued)

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The Group's interest-bearing liabilities

Non-current liabilities, M€	2023 Carrying amount	2023 Fair value	2022 Carrying amount	2022 Fair value
Loans from financial institutions [1]	1,709.3	1,710.0	1,538.4	1,563.8
IFRS16 lease liability [2]	28.7	28.7	27.1	27.1
Total	**1,738.0**	**1,738.7**	**1,565.5**	**1,590.9**

Current liabilities, M€	2023 Carrying amount	2023 Fair value	2022 Carrying amount	2022 Fair value
Loans from financial institutions [3]	193.7	193.7	325.7	325.7
IFRS16 lease liability[4])	1.7	1.7	1.5	1.5
Total	**195.4**	**195.4**	**327.2**	**327.2**

[1]Figure includes EUR 0.6 million (2022: EUR - million) of interest-bearing liabilities associated with assets held for sale.
[2] Figure includes EUR 14.7 million (2022: - million) of lease liabilities associated with assets held for sale
[3] Figure includes EUR 27.8 million (2022: EUR – million) of interest-bearing liabilities associated with assets held for sale.
[4] Figure includes EUR 0.3 million (2022: EUR – million) of interest-bearing liabilities associated with assets held for sale.

The fair values of loans from financial institutions reflect the nominal amount of the loan whereas the carrying amount is the amount after deducting capitalised arrangement fees from the nominal amount.

The company does not have financial instruments offset in the balance sheet. The net value of financial instruments (derivatives) subject to netting agreements in the company is zero. The netting of derivative instruments would be done according to ISDA or an equivalent master agreement.

Derivative contracts

M€	Fair value 2023	Nominal value 2023	Fair value 2022	Nominal value 2022	Maturity
Interest derivatives					
Interest rate caps, bought					
Recognised through profit or loss	5.3	1,280.7	19.2	1,339.4	2024-2026
Interest rate swaps, bought					
Recognised through profit or loss	2.6	558.5	9.1	547.8	2026

[1] *Figure includes EUR 0.3 (-) million of interest rate derivatives associated with assets held for sale.*

The interest derivative agreements were made to hedge the loan portfolio. On the balance sheet date, hedge accounting was not applied to interest rate derivatives.

Derivative instruments are valued in the financial statements at fair value. The fair value represents the result if the derivative position had been closed on the balance sheet date. Group utilises external valuations.

Maturity of interest bearing non-current liabilities

31 December 2023, M€	2024[1]	2025	2026	2027	2028	2029+
Loans from financial institutions	-	670.9	303.4	749.5	-	1.3

31 December 2022, M€	2023[1]	2024	2025	2026	2027	2028+
Loans from financial institutions	-	179.0	653.2	-	730.3	1.3

[1]Loans maturing in the year following the balance sheet date are presented in the balance sheet under current loans.

Notes to the financial statements for the year ended 31 December 2023 (continued)

The average interest rate of all the Group's loans, including derivatives, was 6.6 (2022: 3.5) %. The average maturity of loans was 2.0 (2022: 2.6) years.

Secured Loan type	Signed	Nominal amount, M€	Carrying amount, M€	Secured	Original loan period	Arranged by
Bank Loans	November 2022	670.9	663.8	Yes	2+1+1+1 years	Several banks
Bank Loans	November 2021	749.5	741.7	Yes	5 Years	Several banks
Bank Loan	December 2023	303.4	303.4	Yes	2+1+1+1 years	Several banks

Notes to the financial statements for the year ended 31 December 2023 (continued)

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3. Taxes

Accounting principle

Income taxes in the income statement consist of the current tax and changes in deferred tax assets or liabilities. The tax payable by Group companies for the period is calculated using the taxable profit as determined in accordance with local legislation. The tax is adjusted for any taxes related to prior periods.

Deferred tax liabilities and assets are recognized for all temporary differences between the book values and the carrying amounts for tax purposes of assets and liabilities, apart from the initial recognition of acquisitions of individual assets as referred to in IAS 12.15b, for which no deferred tax is recorded. In Group, these acquired assets are typically investment property acquisitions which do not meet the criteria of business entities and are therefore classified as assets.

In Group's operations, the principle is to realise shareholdings of property companies by selling the shares held by the Group, not the property that is the basis of deferred taxes.

Other temporary differences arise, for example, from the measurement of financial instruments at fair value and unused tax losses. Deferred taxes are calculated using tax rates that are either enacted or in force by the balance sheet date.

Changes in deferred taxes are recognised in the income statement apart from when they are related to items recognised as crediting or debiting shareholders' equity or to other comprehensive income items. A deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

Individual acquisitions of investment properties at Group are classified as acquired assets. The acquisitions of investment properties classified as assets involve the transfer of assets, and such acquisitions do not involve the transfer of particular business processes or people responsible for them, let alone the related marketing and development activities or the management of tenancies, property repairs and renovation.

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences or unused tax losses can be utilised. It may become necessary to decrease the carrying amount of deferred tax assets if future taxable income differs from the estimate. The deferred tax assets are reassessed on an annual basis in relation to the Group's capacity to produce future taxable profits.

Income taxes

M€	**2023**	**2022**
Current tax expense	-0.3	-0.0
Deferred taxes	40.7	25.1
Total	**40.3**	**25.0**

Taxes relating to other comprehensive income items

	2023			**2022**		
M€	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Defined benefit plans	0.0	0.0	0.0	0.0	0.0	0.0
Translation difference	0.8	0.0	0.8	2.2	-1.9	0.3
Total	**0.8**	**0.0**	**0.8**	**2.2**	**-1.9**	**0.3**

Reconciliation between the income tax expense recognised in the income statement and the taxes calculated using the parent company's domestic corporate tax rate (26.01 %):

	2023	2022
Profit before taxes	-398.9	141.7
Income tax using the parent company's domestic corporate tax rate	103.8	36.9
Difference between the tax rate in Finland and in other countries	-24.0	-8.5
Tax exempt income/non-deductible expenses	-12.1	-5.4
Shelf life amortisation and previously unrecognised confirmed losses	-38.2	0.0
Deferred tax related to sold assets	22.1	13.3
Other items	-11.3	-11.3
Tax expense in the income statement	**40.3**	**25.0**

Tax rates of foreign subsidiaries

	2023	2022
Tax rate in Finland	20%	20%
*Tax rate in Netherlands**	20%/25%	20%/25%

*Tax rate 20% if taxable profit less than EUR 0.2 million and 25% if taxable profit more than EUR 0.2 million.

Expiry of tax losses carried forward

	2027	2028	2029	2030	2031+	Total
Tax losses carried forward	1.8	6.4	6.7	12.2	36.1	63.2

Deferred tax liabilities and assets in the consolidated statement of financial position

M€	31.12.2022	Recognised in income statement	Transfers and other changes	31.12.2023
Deferred tax assets				
Assessments at fair value:				
Tax losses and other temporary differences	63.6	1.6	0.0	65.2
IFRS16 deferred tax assets	0.2	0.1	-	0.3
Total	**63.8**	**1.6**	**0.0**	**65.5**
Deferred tax liabilities				
Assessments at fair value:				
Investment properties	130.1	-35.2	-	94.9
Other items/transfers	3.9	-3.8	0.0	0.1
Total	**134.0**	**-39.0**	**-0.0**	**95.0**

Notes to the financial statements
for the year ended 31 December 2023 (continued)

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Deferred tax liabilities and assets in the consolidated statement of financial position (continued)

M€	31.12.2021	Recognised in income statement	Transfers and other changes	31.12.2022
Deferred tax assets				
Assessments at fair value:				
Investment properties				
Other items/transfers	42.2	23.3	-1.7	63.8
Total	**42.2**	**23.3**	**-1.7**	**63.8**
Deferred tax liabilities				
Assessments at fair value:				
Investment properties	135.2	-5.1	-	130.1
Other items/transfers	0.9	3.3	-0.3	3.9
Total	**136.1**	**-1.8**	**-0.3**	**134.0**

Deferred tax assets and deferred tax liabilities are offset in the statement of financial position if the entity has the legal right to settle current tax amounts on a net basis and the deferred tax amounts are levied by the same taxing authority on the same entity or different entities that intend to realise the asset and settle the liability at the same time.

On 31 December 2023, the Group had EUR 3.6 million (2022: EUR 3.6 million) of confirmed losses and EUR 408.0 million (2022: EUR 162.8 million) of impairment losses and interest expenses not deducted from taxes for which tax assets had not been calculated, since the utilisation of the items in question is uncertain.

Notes to the financial statements for the year ended 31 December 2023 (continued)

4. Equity and profit for the period

The equity and profit for the period section includes notes on equity including retained earnings.

4.1 Share capital and reserves

Share capital consists solely of ordinary shares. Ordinary shares are classified as equity.

Number of shares

€	No. of shares	Share capital	Share premium reserve	Total
31/12/2020	**12,000**	**12,000**	**1,198,717,548.94**	**1,198,729,548.94**
Capital repayment			-355,106.86	-355,106.86
31/12/2021	**12,000**	**12,000**	**1,198,362,442.08**	**1,198,374,442.08**
Increase of share premium reserve			105,244,500.00	105,244,500.00
31/12/2022	**12,000**	**12,000**	**1,303,606,942.08**	**1,303,618,942.08**
Increase of share premium reserve			76,125,000.00	76,125,000.00
31/12/2023	**12,000**	**12,000**	**1,379,731,942.08**	**1,379,743,942.08**

Polar Topco S.à r.l. share capital composed of four classes of shares, because the company has three shareholders. BRE/Europe Polar S.à r.l. has subscribed EUR 8 400 A shares and 1 200 C shares AREIM Investment 3-5 AB has subscribed EUR 1 200 B shares and AREIM Investment 3-18 AB has subscribed to 1 200 D shares. Under the Articles of Association, there is no maximum number of shares and the company does not have a set maximum share capital. The shares have a nominal value of EUR 1 Each shareholder may take part in collective decisions. He has a number of votes equal to the number of shares he owns and may validly act at any meeting of shareholders through a special proxy

Shareholders' equity comprises the following reserves:

Share premium reserve

Both shareholders, BRE/Europe Polar S.à r.l. and AREIM Investment 3-5 AB have contributed to the share premium of Polar Topco S.à r.l., which currently is EUR 1,379.7 million (2022: EUR 1,303.6 million).

4.2. Retained earnings and dividend payment

Dividend payment to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's General Meeting of Shareholders.

Retained earnings

M€	**2023**	**2022**
At beginning of financial year	-298,2	-74.3
Profit for the period attributable to equity holders of the parent company	-358,5	-116.7
Defined benefit pension obligations	0.0	0.0
Dividend distribution and other capital repayments	-	-107.2
At end of financial year	**-656.8**	**-298.2**

Dividend

After the balance sheet date, the Board of Directors has proposed that no dividend will be distributed. During the financial year 2023 no dividend were paid.

Notes to the financial statements for the year ended 31 December 2023 (continued)

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5. Personnel and related parties

The personnel and related parties section describes the remuneration and pension schemes of the Group's personnel and management. There are no employees in Luxembourg. At the end of the section, related parties are defined and the notes pertaining to related parties are presented.

5.1 Salaries and fees

In 2023, the underlying Sponda Group had 134 (2022: 140) employees on average. Salaries and fees are included in the administrative expenses.

Salaries and fees, M€	2023	2022
Management remuneration of the underlying Sponda Group		
CEO	1.2	1.2
Other Executive Board members	1.5	1.3
Board of Directors	0.0	0.0
Management remuneration, total	2.7	2.5
Other wages and salaries	12.1	12.0
Defined benefit pension plans	0.0	0.0
Defined contribution pension plans	2.4	2.5
Other social security costs	0.5	0.5
Total	**17.7**	**17.4**

The President and CEO is paid a gross salary. The salary and other fees paid to Sponda Ltd's President and CEO totaled EUR 1.2 million (2022: EUR 1.2 million).

The annual compensation ratio defined in the section 2-21 of the disclosure requirements of Global Reporting Initiative (GRI) sustainability reporting standards was 12.54 (2022: 13.2) and the change in annual compensation ratio was 1.0 (2022: 0.4). The annual compensation ratio is calculated by dividing the company's highest-earning person by the median of the annual compensation of the rest of the workforce.

5.2 Pension plans

Accounting principle

Group has various post-employment benefit plans, which include both defined contribution and defined benefit pension plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

Pension coverage has been arranged via a pension insurance company. Contributions made for defined contribution plans are recognised in the income statement for the year to which they relate. The liability recognised on the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds. Actuarial gains and losses are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in income.

Management's pension obligations and termination benefits

The retirement age and pension of Sponda Ltd's President and CEO is determined in accordance with the Finnish Employees' Pension Act.

Under the terms of the service contract, CEO's term of notice is six months. In the event of the company terminating the service contract, CEO is entitled, in addition to the terms of notice, to compensation equal to 18 months' pay if the termination occurs not more than 24 months from the beginning of the service contract. If the termination occurs more than 24 months from the beginning of the service contract, CEO is entitled, in addition to the terms of notice, to compensation equal to 12 months' pay.

The President and CEO is insured with a contribution-based group pension insurance. Sponda pays the annual insurance premium until CEO reaches the age of 63. Under the terms of this scheme, the accrued savings may be withdrawn starting from the age of 63 or as a supplementary pension in addition to the individual's statutory earnings-related pension. The insurance premium amounted to 15 per cent of the fixed annual salary. In 2023, the premiums of the voluntary group pension scheme of the CEO were EUR 117.2 (2022: 117.2) thousand.

Pension plans for personnel

During its history, Group has been the recipient of transfers of pension obligations in conjunction with business acquisitions. The pension obligations compensate for earlier retirement ages. Insurance is used to compensate for early retirement. The retirement age associated with the pension obligations ranges from 60 to 63 years.

M€	2023	2022
Defined benefit obligation	0.9	1.0
Fair value of employee benefit plan assets	0.6	0.7
Net defined benefit (asset) liability 31.12	**0.3**	**0.3**

5.3 Information on related parties

The related parties of the Polar Topco S.à r.l. are the parent companies, subsidiaries and associated companies, and joint ventures.

Bre /Investment Polar Ltd is ultimate owning Company of the Group. BRE/Europe Polar S.à r.l is the parent company of Polar Topco S.à r.l. and holds 90% of its share capital. BRE/Europe Polar is a Luxembourg company incorporated on 6 June 2017 as a "Société à responsabilité limitée". Its registered office is established at 2-4, rue Eugène Ruppert, L-2453 Luxembourg. It is registered with the "Registre de Commerce et des Sociétés" under R.C.S. B 215 498 and is governed by the Law dated 10 August 1915 on commercial companies, as amended.

Areim Investment 3-5 AB is a joint venture partner and holds 10% of the share capital of Polar Topco S.à r.l. Areim is governed by the laws of Sweden and its registered office is at c/o AREIM AB Norrlandsgatan 18, 111 43 Stockholm, Sweden. It is registered with the Swedish Companies Registration Office under number 559111-1165.

Business transactions carried out with related parties; receivables from and liabilities to related parties

M€	Profit & Loss	Liabilities	Receivables
Revantage	0.6	-	-
AREIM AB	-	-	-
Total	0.6	-	-

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Notes to the financial statements for the year ended 31 December 2023 (continued)

6. Other notes

Other notes cover subjects that do not, in the Group's view, constitute a broader topic of their own. Other notes include notes to the consolidated income statement and notes to the consolidated statement of financial position as well as notes on other topics, such as commitments.

6.1. Audit fees

M€	2023	2022
	Statutory Auditors and network firms	*Statutory Auditors and network firms*
Audit	0.4	0.2
Other services	0.0	0.1
Total	**0.4**	**0.3**

Audit fees include the fees relating to the audit of the consolidated financial statements of the Group and its subsidiaries including assurance and other services related to auditing.

6.2 Leases

6.2.1 Leases, the Group as a lessor

Accounting principle

The leases collected by Group are gross leases, separate capital and maintenance leases, or leases linked to the lessee's turnover. Maintenance costs associated with the property are either included in the rent or they remain the responsibility of the tenant, depending on the contract. Most of the leases are linked to the cost-of-living index. Leases are either valid until further notice or fixed term. Group's leases are leases with contingent rent payments in accordance with IFRS 16.

Leases including incentives, such as rent-free periods or rental discounts, are recognised on a straight-line basis over the lease term.

Property leases are classified as operating leases when the risks and rewards incidental to ownership remain with Group.

When the risks and benefits incidental to ownership have been substantially transferred to the lessee, a property lease is classified as a finance lease. In that case, the parts of the properties covered by the finance lease are recognised as finance lease receivables on the balance sheet at the commencement of the lease term in an amount that equals the net investment in the lease, i.e., the present value of the minimum lease payment plus the present value of the non-guaranteed residual value.

6.2.2 Leases, the Group as a lessee

The impacts of IFRS 16 on Group as a lessee arise from leased plots of land as well as leases for cars. Low-value or short-term leases are not included in calculation. The right-of-use assets recognized as part of investment properties consist of land leases subject to Group's core business. The right-of-use assets recognized as property, plant and equipment, on the other hand, are leased cars.

The Group's lease liability has been measured by discounting the lease liabilities of the leases that fall within the scope of the standard at their present value using the Group's view of the incremental borrowing rate as a discount factor.

Specification of changes to the income statement and balance sheet during the reporting period related to IFRS 16

M€	Right-of-use assets			Lease liabilities
	Investment properties	Property, plant and equipment	Total	
1.1.2023	27.0	0.3	27.4	28.6
Increase	3.1	0.5	3.5	3.5
Decrease	-	-0.0	-0.0	-0.0
Depreciation and amortisation	-1.7	-0.3	-2.0	-
Interest expenses	-	-	-	0.9
Payments	-	-	-	-2.6
Transfers to held for sale	-14.2	-	-14.2	-15.0
31.12.2023	14.1	0.5	14.7	15.4

During the period under review, leases recognised in the balance sheet had an effect of EUR 2.6 million (2022: EUR 2.3 million) on lease expenses, EUR -1.7 million (2022: EUR -1.6 million) on the change in fair value, EUR -0.3 million (2022: EUR -0.2 million) on depreciation and EUR -0.9 million (2022: EUR -0.7 million) on financial expenses. The impact on Group's net operating income for the period was EUR 2.6 million (2022: EUR 2.3 million) and the impact on the result before taxes was EUR -0.3 million (2022: EUR -0.3 million).

6.3 Investments in real estate funds

Polar owns through real estate funds holdings in retail and office properties. The investments in real estate funds contain these holdings. Investments in real estate funds are measured at fair value. The change in fair value is recorded in the income statement under "Valuation gains/losses on fair value assessment".

	2023		2022	
	Investment, M€	Holding	Investment, M€	Holding
Russia Invest B.V.	-	27.2%	-	27.2%
Total	**-**	**27,2%**	**-**	**27,2%**

Group had indirect investment of 14.9% in the Oktha Mall center as Sponda Ltd owns 27.2% of Russia Invest B.V. which had a 55% stake in the in the Okhta Mall shopping centre in St. Petersburg. In 2022 Russia Invest B.V sold its share of Okhta Mall and the value of the investment was written down in Sponda Ltd. Russia Invest B.V. was at the balance sheet date in liquidation process and liquidation was registered on 5 February 2024.

Investments in real estate funds belong to level 3 in the fair value hierarchy, meaning they are not based on observable market data (other than observable input data).

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Notes to the financial statements

for the year ended 31 December 2023 (continued)

6.4 Property, plant and equipment and intangible assets

Accounting principle

Property, plant and equipment comprises properties, equipment and furniture in company use, other tangible assets and advance payments and incomplete acquisitions. These are valued at their original acquisition cost, less accumulated depreciation and possible impairment losses, adding capitalised costs related to modernisation work.

The properties, office equipment and furniture and vehicles used by the company itself are depreciated over their useful lives.

Land areas are not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate the difference between their acquisition cost and residual value over their estimated useful lives as follows:

Office premises used by Sponda	*100 years*
Office machinery and equipment	*3–20 years*
Other tangible assets	*10 years*

The residual values, useful lives and depreciation methods of assets are reviewed at the end of each reporting period and adjusted as necessary to reflect changes in expected future economic benefits.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement under "Other operating income or expenses".

Other tangible assets include, among other things, renovation expenses related to the company's head office and works of art owned by the Group.

Other intangible assets include computer software recorded at acquisition cost and amortised on a straight-line basis over 3–5 years. According to IFRIC agenda decision released in March 2021 configuration or customisation costs in a cloud computing arrangement are, as a rule, expensed to consolidated income statement as incurred.

Management judgment

At each financial position date the Group assesses the carrying amounts of its assets to determine whether any indication of impairment exists. If any such indication exists, the recoverable amount is estimated.

The Group's depreciation on property, plant and equipment in 2023 amounted to EUR 0.5 million (2022: EUR 0.5 million). EUR 0.3 million (2022: EUR 0.2 million) is related to depreciations from IFRS 16 right-of-use assets.

The Group's depreciation on other intangible assets in 2023 amounted to EUR 0.9 million (2022: EUR 0.7 million).

The Group estimated that during the period under review, there are EUR 1.7 million (2022: EUR 1.3 million) of such configuration or customisation costs in a cloud computing arrangement that cannot be recognised as intangible asset. New investments related to cloud computing arrangements have been recognised as part of administrative expenses in consolidated income statement.

M€	Property, plant and equipment			
	Land and buildings	Plant and equipment	Fixtures and fittings	Total
1.1.2023	11.6	0.8	0.1	12.6
Increase	-	0.7	-	0.7
Decrease	-11.1	-	-0.0	-11.2
Depreciations	-0.5	-0.0	-	-0.5
31.12.2023	0.0	1.5	0.1	1.6

M€	Intangible assets		
	Software	Prepayments	Total
1.1.2023	2.3	1.3	3.7
Increase	-	0.1	0.1
Decrease	-0.6	-	-0.6
Depreciations	-0.9	-	-0.9
31.12.2023	0.8	1.4	2.3

6.5 Trading properties

Trading properties are properties that are meant for sale, and which do not correspond to the company's strategic goals owing to their size, location or type. Trading properties are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the direct costs resulting from completion of the sale. The net realisable values are mainly determined using the market value method. If the net realisable value is lower than the carrying amount, an impairment loss is recognised. Trading properties are not combined in the Group's financial statements line by line and transactions with them are not eliminated.

When a trading property becomes an investment property that is measured on the balance sheet at fair value, the difference between the fair value on the transfer date and its previous carrying amount is recognised in the profit or loss under profit/loss on sales of trading assets.

Trading properties comprise 14 properties that are owned mainly through real estate or housing limited companies.

Trading properties

M€	2023	2022
Trading properties at the start of the period	**7.2**	**7.3**
Disposals and other changes [1)]	-1.5	-0.0
Trading properties at the end of the period	**5.7**	**7.2**

1) Figure includes EUR 0.2 (-) million negative revaluations of one trading property.

6.6. Current non-interest-bearing receivables and debt

A substantial proportion of Group's current receivables and debt are related to value added tax. The Group covers the VAT deductions of mutual real estate companies at the end of the year using maintenance charges. As a result, the mutual real estate companies recognise substantial VAT payables in December, while the parent company of the mutual real estate company recognises a corresponding VAT receivable.

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6.6.1 Trade and other receivables

Accounting principle

Trade receivables are amounts due from customers arising from the leasing of office, retail or logistics premises. If collection is expected within one year, they are classified as current assets. If not, they are presented as non-current assets. Other receivables include items such as VAT receivables, advances paid and other prepaid expenses and accrued income.

Trade receivables are recognised initially at fair value. Subsequently, a provision for impairment of trade receivables is established when the receivable has been overdue for more than three months or there is objective evidence that the Group will not be able to collect the full amount due. Any impairment is recognised in the income statement within other operating expenses. When a trade receivable is uncollectable, it is written off against the provision for impairment of trade receivables. Subsequent recoveries of amounts previously written off are credited against other operating expenses in the income statement.

M€	2023	2022
Trade and other receivables		
Trade receivables	2.8	2.4
Other receivables	0.1	0.2
VAT receivables	13.8	15.5
Advances paid	0.0	0.0
Other prepaid expenses and accrued income	28.4	17.9
Interest rate derivatives	3.8	4.6
Total	**48.9**	**40.5**

The fair value of trade and other receivables approximate their carrying amount.
The Group had no selling price receivables at the end of December 2023.

6.6.2 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired from suppliers in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. The carrying amounts of trade and other payables approximate their fair value due to their short-term nature.

M€	2023	2022
Current non-interest-bearing debt		
Advances received	7.7	8.7
Trade payables	10.1	8.8
Interest liabilities	17.6	9.9
Other current liabilities	4.2	0.6
VAT debt	11.7	13.2
Accrued expenses and deferred income	15.0	14.4
Total	**66.3**	**55.5**

Accrued expenses and deferred income		
Personnel expenses	6.0	5.8
Taxes	0.0	0.0
Investments	2.8	0.0
Other items	6.1	8.5
Total	**15.0**	**14.4**

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6.7 Collateral and contingent liabilities

Liabilities for which mortgages over property and shares have been given, M€	2023	2022
Loans from financial institutions, covered by collateral	1,917.4	1,887.9
Mortgages	1,917.4	1,887.9
Fair values of properties in such companies where no property mortgages are given (only pledge of shares)	82.4	96.9
Fair values of properties in such companies where, in addition to the pledge of shares, property mortgages are given	2,314.5	2,549.2
Cash and cash equivalents on pledged bank accounts	75.8	94.3

For clarification, it is stated that in 2023 the fair value of pledged properties amounted to EUR 2,396.9 million (2022: EUR 2,646.1 million), containing both property mortgages and share pledges. Including cash and cash equivalents in 2023, the pledges amount to EUR 2,472.7 million (2022: EUR 2,740.4 million).

Commitments arising from land lease contracts, M€	**2023**	**2022**
Mortgages	4.9	4.9
Guarantees	3.1	3.1
Total	**8.0**	**8.0**

Operating leases, M€	**2023**	**2022**
Contractual maturities on lease contracts:		
During the following financial year	0.1	0.2
Due after the following year	0.1	0.1
Total	**0.2**	**0.3**

Off-balance sheet lease liabilities consist of liabilities related to short-term leases and leases of low value. These are mainly leases for office equipment.

The leases have length of 3–5 years and they have no redemption obligations.

Other commitments

VAT deductions made from renovation investments

Liabilities in accordance with section 33 of the Value Added Tax Act have been calculated for all Group companies and their aggregate value in the financial statements was EUR 31.6 million (2022: EUR 39.8 million)

Investment commitments

Group does not have any remaining investment commitments related to real estate funds on 31 December 2023.

6.8 Events after the financial position date

Sponda Osaomisteiset Oy redeemed on 31 January 2024 additional shares in Kiinteistö Oy Zeppelin Kauppakeskus after which the group ownership in that company is 93.65%.

Group sold on 12 February 2024 all shares in Kiinteistö Oy Tampereen Vuolteenkatu 2 and subsequently repaid EUR 30.7 million short-term interest-bearing loans from financial institutions and increased its unrestricted cash by EUR 23.4 million. After balance sheet date Group has in addition sold shares of Koy Malmin Postitalo Koy Martinkyläntie 53 and Vuosaaren LC and PC koy, amounting fair value of EUR 6.0 million.

Group announced on 28 February 2024 that MOW Supernova Ltd's coworking unit in Tampere will be closed and the operations of the company will cease during 2024. MOW Supernova has operated in connection with Ratina shopping centre and that lease will end because the premises have been leased for office use for an external client.

Notes to the financial statements for the year ended 31 December 2023 (continued)

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7. Assets and liabilities classified as held for sale

M€	2023	2022
Assets classified as held for sale		
Investment properties	60.7	-
Cash and cash equivalent	2.2	
Trade and other receivables	0.4	-
Total	**63.3**	-
Liabilities directly associated with the assets classified as held for sale		
Interest-bearing loans and borrowings	43.5	-
Trade and other payables	0.9	-
Total	**44.4**	-

Transaction cost for selling the assets held for sale was EUR 0.4 million.

8. Group structure

Polar Topco S.à r.l. is a Luxembourg company incorporated on 2 June 2017 as a "Société à responsabilité limitée". The registered office of the Company is established at 2-4, rue Eugène Ruppert, L-2453 Luxembourg. The Company is registered with the "Registre de Commerce et des Sociétés" under R.C.S. B 215 535 and is governed by the Law dated 10 August 1915 on commercial companies, as amended. Polar Topco S.à r.l. comprises the parent company of Polar Bidco S.à r.l., Sponda Ltd and its wholly- or partly owned Finnish limited liability companies and property companies, V Helsingin Erottajankadun Huippu AB and its wholly owned Finnish limited liability companies and property company, Sponda Polar Development S.á.r.l and its wholly owned Finnish limited liability companies and property companies, Sponda Polar Resi Care S.á.r.l and its wholly owned Finnish limited liability companies and property companies, Sponda Polar Resi ARA 10 S.á.r.l and its wholly owned Finnish limited liability companies and property companies, Sponda Polar Resi BTR S.á.r.l and its wholly owned Finnish limited liability companies and property companies.

Polar Bidco S.à r.l. is a wholly owned subsidiary of Polar Topco S.à r.l. The company is a Luxembourg company incorporated on 16 May 2017 as a "Société à responsabilité limitée". The registered office of the Company is established at 2-4, rue Eugène Ruppert, L-2453 Luxembourg. The Company is registered with the "Registre de Commerce et des Sociétés" under R.C.S. B 210 795 and is governed by the Law dated 10 August 1915 on commercial companies, as amended.

Sponda Ltd is a wholly owned subsidiary of Polar Bidco S.à r.l. It is a property investment company specializing in leasing, developing and owning commercial properties.

V Helsingin Erottajankadun Huippu AB is a wholly owned subsidiary of Polar Bidco S.à r.l. It owns wholly following Finnish subsidiaries: Helsingin Erottajankadun Huippu Upper Holding Oy and Helsingin Erottajankadun Huippu Koy.

Sponda Polar Development S.á.r.l is a wholly owned subsidiary of Polar Bidco S.à r.l. It owns wholly following Finnish subsidiaries: Sponda Polar Development Mezzanine Holding Oy, Sponda Polar Development Mezzanine Financing Oy, Sponda Polar Development Pledgeco Oy, Sponda Polar Development Investment Oy and Kiinteistö Oy Mannerheimintie 14.

Sponda Polar Resi Care S.á.r.l is a wholly owned subsidiary of Polar Bidco S.à r.l. It owns wholly following Finnish subsidiaries: Spoda Resi Care Herttoniemi Oy and Kiinteistö Oy Herttoniemen Laivalahdenkatu 4.

Sponda Polar Resi ARA 10 S.á.r.l is a wholly owned subsidiary of Polar Bidco S.à r.l. It owns wholly following Finnish subsidiaries: Sponda Resi ARA 10 Herttoniemi Oy.

Sponda Polar Resi BTR S.á.r.l is a wholly owned subsidiary of Polar Bidco S.à r.l. It owns wholly following Finnish subsidiaries: Sponda Resi BTR 1 Herttoniemi Oy, Sponda Resi Investment Herttoniemi BTR Oy, As Oy Helsingin Insinöörinkatu 5 Oy, As Oy Helsingin Suunnittelijankatu 3 Oy.

Notes to the financial statements for the year ended 31 December 2023 (continued)

The following is a list of shares and holdings owned by Sponda Group on 31 December 2023.

Real estate companies:	Place of domiciliation	Group holding %
Arif Holding Oy	Kempele	100.00
Arkadiankatu 4-6	Helsinki	100.00
Backaksenpelto	Vantaa	100.00
Bulevardi1	Helsinki	100.00
Design House	Helsinki	100.00
Dianapuisto	Helsinki	100.00
Elovainion Kauppakiinteistöt	Ylöjärvi	100.00
Erottajan Pysäköintilaitos Oy	Helsinki	49.29
Espoon Esikunnankatu 1	Espoo	100.00
Espoon Kuusiniementie 2	Espoo	100.00
Espoon Upseerinkatu 1-3	Espoo	100.00
Espoonportti	Espoo	100.00
Estradi 2	Helsinki	100.00
Fabianinkatu 23	Helsinki	100.00
Forumin Toimistot	Helsinki	100.00
Gohnt-talo	Helsinki	100.00
Haukilahdenkatu 4	Helsinki	100.00
Heimola	Helsinki	77.07
Helsingin Forum	Helsinki	100.00
Helsingin Erottajanmäki	Helsinki	100.00
Helsingin Hämeentie 105	Helsinki	60.63
Helsingin Kaivokatu 8	Helsinki	100.00
Helsingin Kalevankatu 30	Helsinki	100.00
Helsingin Nuijamiestentie	Helsinki	100.00
Helsingin Pieni Roobertinkatu 9	Helsinki	100.00
Helsingin Silkkikutomo	Helsinki	100.00
Helsingin Sörnäistenkatu 2	Helsinki	100.00
Helsingin Valimotie 25 A	Helsinki	100.00
Helsingin Valimotie 25 B	Helsinki	100.00
Helsingin Valimotie 25 C	Helsinki	100.00
Helsingin Valimotie 27 A	Helsinki	100.00
Helsingin Valimotie 27 B	Helsinki	100.00
Helsingin Valimotie 27 C	Helsinki	100.00
Helsingin Valimotie 27 D	Helsinki	100.00
Helsingin Veneentekijäntie 8	Helsinki	100.00
Helsingin Vuorikatu 14	Helsinki	100.00
Helsingin Värjäämö	Helsinki	100.00
Hämeenkatu 20	Tampere	100.00
Hämeenlinnan Hallituskatu 10	Hämeenlinna	100.00
Hämeentie 103	Helsinki	100.00
Höyläämöntie 5	Helsinki	100.00
Insinöörinkatu	Helsinki	100.00
Isontammentie 4	Vantaa	100.00

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Notes to the financial statements for the year ended 31 December 2023 (continued)

Real estate companies:	Place of domiciliation	Group holding %
Iso-Roobertinkatu 21-25	Helsinki	100.00
Kaisaniemen Metrohalli	Helsinki	25.17
Kaisaniemenkatu 2 B	Helsinki	100.00
Kaivokadun Tunneli	Helsinki	100.00
Kalkkipellontie 6	Espoo	100.00
Kappelitie 8	Espoo	100.00
Karapellontie 4C	Espoo	100.00
Kasarmikatu 36	Helsinki	100.00
Kaupintie 3	Helsinki	100.00
Kauppa-Häme	Tampere	100.00
Keimolan Radioasema Koy	Vantaa	100.00
Kluuvin Pysäköinti Koy	Helsinki	25.35
Korkeavuorenkatu 45	Helsinki	100.00
Kumpulantie 11	Helsinki	100.00
Liikekeskus Zeppelin Oy	Kempele	86.25
Läkkitori	Espoo	100.00
Länsi-Keskus	Espoo	58.64
Malmin Postitalo	Helsinki	100.00
Malmin Yritystalo	Helsinki	100.00
Mannerheimintie 6	Helsinki	100.00
Mansku 4	Helsinki	100.00
Martinkyläntie 53	Vantaa	100.00
Miestentie	Espoo	100.00
Mikonkatu 17	Helsinki	100.00
Mikonkatu 19	Helsinki	100.00
Mikonlinna	Helsinki	100.00
Mäkkylän Toimistotalo	Helsinki	100.00
Oulun Alasintie 3-7	Oulu	100.00
Oulun Korjaamotie 2	Oulu	100.00
Oulun Liikevärttö 1	Oulu	100.00
Oulun Liikevärttö 2	Oulu	100.00
Oulun Liikevärttö 3	Oulu	100.00
PaulonTalo	Helsinki	100.00
Pieni Roobertinkatu 7	Helsinki	99.79
Piispanpiha 5	Helsinki	100.00
Pronssitie 1	Helsinki	100.00
Ratapihantie 11	Helsinki	100.00
Ratinan Kauppakeskus	Tampere	100.00
Ratinanlinna	Tampere	100.00
Robert Huberintie 2	Vantaa	100.00
Scifin Beta	Espoo	100.00
Scifin Gamma	Espoo	100.00
Sinikalliontie 10	Espoo	100.00
Sinimäentie 14	Espoo	100.00
Sp-kiinteistöt Oy	Espoo	100.00
SRK-Kiinteistöt Oy	Helsinki	100.00
Säästötammela	Tampere	100.00
Tampereen Hämeenkatu 18	Tampere	100.00
Tampereen Naulakatu 3	Tampere	100.00

Notes to the financial statements for the year ended 31 December 2023 (continued)

Real estate companies:	Place of domiciliation	Group holding %
Tampereen Näsilinnankatu 39-41	Tampere	100.00
Tampereen vuolteenkatu 2	Tampere	100.00
Tulli 1	Tampere	100.00
Turunlinnantie 12	Helsinki	100.00
Tuusulan Tärkkelystehdas	Tuusula	100.00
Unioninkatu 18	Helsinki	100.00
Unioninkatu 20-22	Helsinki	100.00
Unioninkatu 24	Helsinki	100.00
Upseerinkadun Pysäköintitalo	Espoo	100.00
Vaajakosken Tikkutehtaantie 1	Vaajakoski	100.00
Vantaan Harkkokuja 2	Vantaa	100.00
Vantaan Jokiniementie	Vantaa	100.00
Vantaan Jokiniemenkatu 27	Vantaa	100.00
Vantaan Omega	Vantaa	100.00
Vantaan Simonrinne	Vantaa	77.18
Vilhonkatu 5	Helsinki	100.00
Vuosaaren LC Koy	Helsinki	100.00
Vuosaaren PC Koy	Helsinki	100.00
Värtönparkki 1	Oulu	100.00
Ylä-Malmintori 6	Helsinki	100.00
Yrjönkatu 31	Helsinki	100.00
Zeppelinin City-Keskus	Kempele	94.83
Zeppelinin Kauppakeskus	Kempele	91.47
Zeppelinin Kauppakulma	Kempele	100.00
Zeppelinin Kauppapörssi	Kempele	91.44
Zeppelin Kulmatori Kiinteistö Oy	Kempele	49.67
Zeppelinin Markkinapaikka	Kempele	100.00
Zeppelinin Pikkukulma	Kempele	100.00
Zeppelinin Tavaratori	Kempele	78.87

Notes to the financial statements
for the year ended 31 December 2023 (continued)

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Limited liability companies	Place of domiciliation	Group holding %
MOW Mothership Of Work Oy	Helsinki	100.00
MOW Supernova Oy	Helsinki	100.00
Russia Europe Oy Ltd	Helsinki	100.00
Spoki Oy	Helsinki	100.00
Sponda Asset Management II Oy	Helsinki	100.00
Sponda Asset Management Oy	Helsinki	100.00
Sponda Osaomisteiset Oy	Helsinki	100.00
Sponda Russia Finance Oy Ltd	Helsinki	100.00
Sponda Russia Oy Ltd	Helsinki	100.00
Sponda Real Estate Oy	Helsinki	100.00
Sponda Investment Properties A Oy	Helsinki	100.00
Sponda PledgeCo A Oy	Helsinki	100.00
Sponda Mezza Financing A Oy	Helsinki	100.00
Sponda Mezza Holding A Oy	Helsinki	100.00
Sponda Investment Properties B Oy	Helsinki	100.00
Sponda PledgeCo B Oy	Helsinki	100.00
Sponda Mezza Financing B Oy	Helsinki	100.00
Sponda Mezza Holding B Oy	Helsinki	100.00
Sponda Investment Properties C Oy	Helsinki	100.00
Sponda PledgeCo C Oy	Helsinki	100.00
Sponda Mezza Financing C Oy	Helsinki	100.00
Sponda Mezza Holding C Oy	Helsinki	100.00
Sponda Investment Properties D Oy	Helsinki	100.00
Sponda PledgeCo D Oy	Helsinki	100.00
Sponda Mezza Financing D Oy	Helsinki	100.00
Sponda Mezza Holding D Oy	Helsinki	100.00
Sponda Newco SIP 5 Oy	Helsinki	100.00

Real estate fund companies	Place of domiciliation	Group holding %
Russia Invest B.V.i.o	The Netherlands	27.23

Changes in Group structure in 2023

Companies liquidated	Place of domiciliation	Group holding %
OOO Veika	St. Petersburg, Russia	100.00
ZAO Ankor	Moscow, Russia	100.00

Companies sold	Place of domiciliation	Group holding %
Hyvinkään Varikko	Hyvinkää	100.00
Kylvöpolku 1	Helsinki	100.00
Tampereen Enqvistinkatu 7	Tampere	100.00
Tampereen Hallituskatu 8	Tampere	100.00