

A photograph of a woman in a kitchen and a child on a sofa. The woman is in the background, smiling, wearing a light purple t-shirt and blue jeans, holding a white cup. The child is in the foreground, sitting on a dark grey sofa, wearing a blue t-shirt, looking up with an open mouth and hands raised. A large, light brown teddy bear is floating in the air above the child. The scene is set in a modern kitchen with light-colored cabinets and a dark oven.

More than a property company

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- Included in the Annual and Sustainability Report 2022 examined by the auditor.

Directors' report

The annual report and consolidated financial statements for the financial year 2022 examined and reviewed by the auditor are included on pages 6–7, 12, 20–29, 42–43, 50–57 and 60–91. The Directors' Report includes pages 6–7, 12, 20–39, 42–43, 50–57 and 60–61. The Annual Report is also available in English, but the Swedish version is the original version.

Other external review

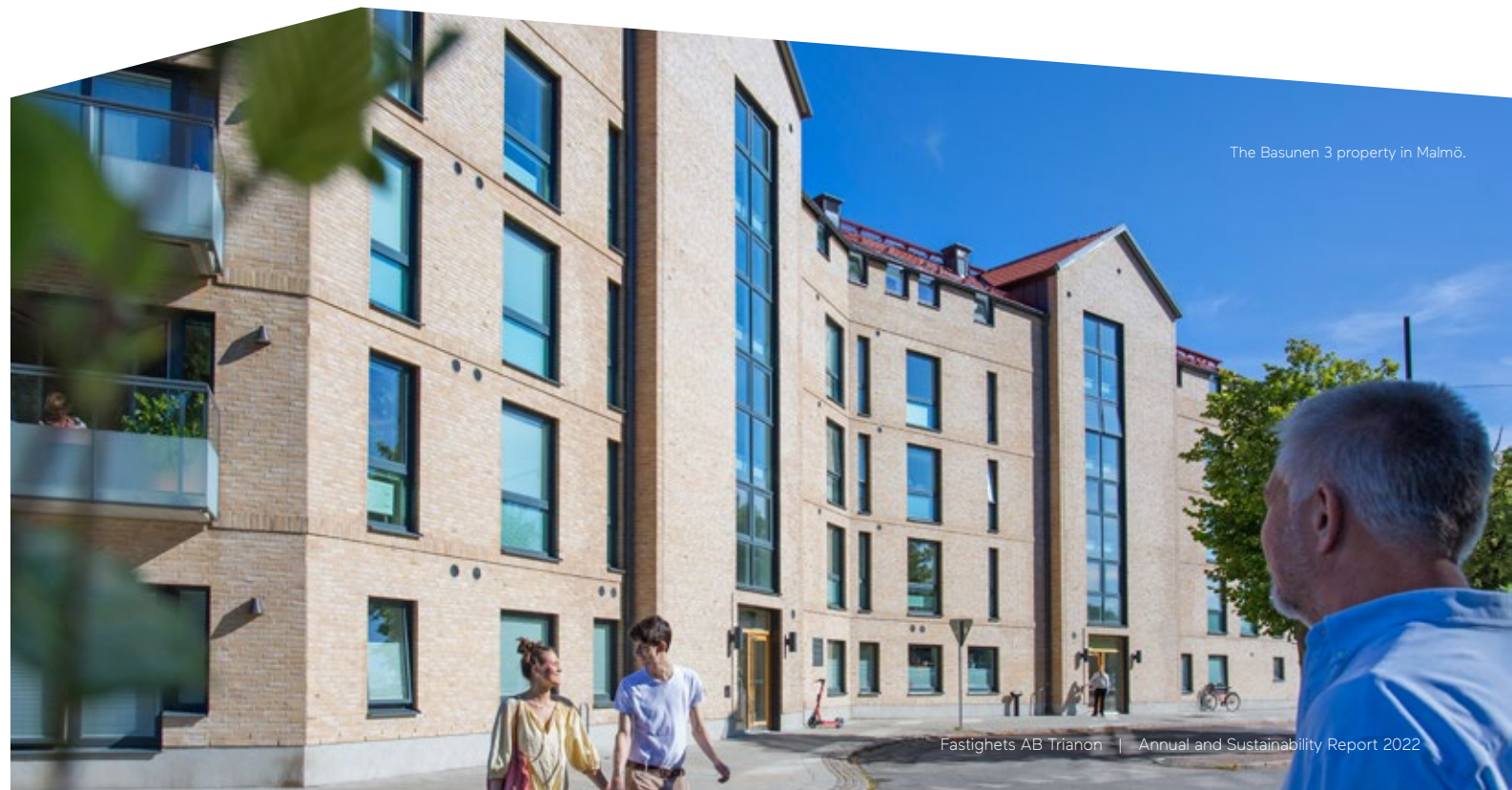
The auditor has reviewed the statutory sustainability report, pages 20–29, according to FAR's recommendation Rev 12 The auditor's opinion regarding the statutory sustainability report.

The auditor has reviewed the corporate governance report, pages 53–57, in accordance with FAR's statement RevU 16 Auditor's review of the corporate governance report, which is included as a separate report.

Fastighets AB Trianon is a public limited company. Corporate ID number 556183-0281. Registered office: Malmö, Sweden.

All amounts are expressed in Swedish kronor. Kronor is abbreviated to SEK, million kronor to SEK million, and billion kronor to SEK billion. Figures in parentheses refer to the preceding year, 2021, unless otherwise indicated. Square metres are abbreviated to m².

This report contains forward-looking information that is based on the current expectations of Trianon's management. There is no guarantee that these expectations will be met and future performance may differ from that reported in the forward-looking information, which is based, among other things, on changeable economic, market and competitive conditions, legislative changes and other political measures, exchange rate fluctuations and other factors.



The Basunen 3 property in Malmö.

About Trianon

Trianon owns, manages, develops and builds properties in Malmö and its environs. We are an entrepreneurial property company that fully accepts its social responsibilities and is committed to providing sustainable accommodation. We contribute to long-term, sustainable urban development through our active engagement in our local area. Trianon's property portfolio consists of 154 properties with 491,000 m² of rentable area, spread across residential and public sector/community properties as well as commercial premises. In addition, there are around 3,000 garage and parking spaces. The market value of the property portfolio as at 31 December 2022 was SEK 12.9 billion. Trianon's shares are listed on Nasdaq Stockholm. The Company has three bonds that are listed on Nasdaq Stockholm, of which two are on the Sustainable Bond List.



Commitment – We are committed and honest. We promote an inclusive culture characterised by trust, respect and humility. We are committed to our employees, tenants, society and the environment. Together, we create a better urban and residential environment with sustainable solutions and long-term profitability.



Innovation – We are constantly striving to get better at what we do. We will be involved and contribute to a positive and sustainable social development in Malmö and the surrounding area. With entrepreneurship, we create business benefit, customer benefit and social benefit.



Courage – We are brave and dare to develop new business models. We see new opportunities, make decisions and have the courage to invest. Together we make a difference.

The Docenten 1 property in Malmö.

Our properties



Trianon owns, manages, develops and builds properties in Malmö and its environs. Through innovation, commitment and long-term thinking, Trianon aims to achieve sustainable urban development.

154

Number of properties

4.23%

Yield (return)

95%

Occupancy rate

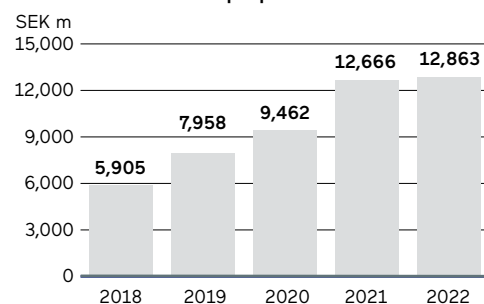
491,000m²

Total number of square metres plus 3,000 garage and parking spaces

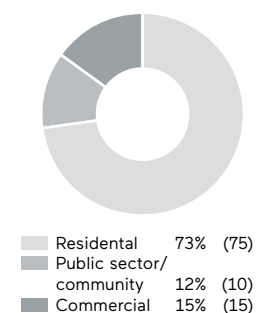
SEK 12,863 million

Fair value, investment properties of which SEK 11,030 million in Malmö

Fair value investment properties



Property value by segment



Stockholm

Vimmerby

Osby

Hässleholm

Klippan

Bjuv

Helsingborg

Landskrona

Eslöv

Lund

Burlöv

Svedala

Skurup

Trelleborg



Malmö City

Limhamn/
Slottsskogen

Rosengård

Lindängen/
Hermodsdal

Oxie

Trianon – an investment in a sustainable future



Solid property portfolio

A well-composed portfolio of residential, public sector/commuity service and commercial properties with low risk and great value-creating potential. The project portfolio brings significant value creation for the future.



Expansive region

A focus on residential properties in a region with population growth, where demand for rental apartments is very high. Trianon has 100–150 applicants for every rental apartment that becomes vacant.



Stable finances

Continuous increases in profit from property management, rental income and property value since listing on the stock exchange in 2017. Trianon has a stable financial position.



Entrepreneurial culture

Experienced management and an entrepreneurial corporate culture characterised by commitment, innovation and courage. Trianon sees business opportunities where others see obstacles.



Social engagement

Strong social engagement that provides good contacts with rental market participants, municipalities, regional authorities, businesses and clubs and associations. Trianon's social engagement provides added value for the company's shareholders and other stakeholders.



The Vårsången 8 property in Lindängen, Malmö.

The year in brief

In 2022, Trianon achieved the second-best profit from property management in the company's history. Three of the five financial targets were achieved and several positive events have further strengthened the company's position in Malmö and its environs. The company increased its rental income and net operating profit by 11 percent, while profit from property management fell as a result of increased interest and energy costs. Refinancing of SEK 4.6 billion was carried out, while the company also strengthened its financial framework and linked it even more clearly to its sustainability goals.

+11%

Rental income increased to SEK 688 million (618).

+11%

Operating surplus increased to SEK 440 million (396).

54.6%

Loan-to-value ratio was 54.6 percent (53.5).

2.4 times

Interest coverage ratio was 2.4 times (3.2).

4.23%

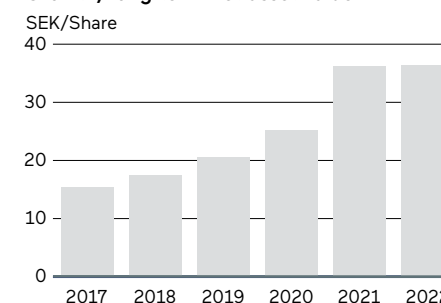
Yield was 4.23 percent (3.86).

Key performance indicators

	2022	2021	2020	2019	2018
Rental income, SEK million	688	618	553	446	345
Operating surplus, SEK million	440	396	369	286	213
Profit from property management, SEK million	232	253	224	177	131
Change in value of investment properties, SEK million	-235	1,311	406	292	212
Comprehensive income for the period, SEK million	171	1,311	537	307	267
Investment properties, SEK million	12,863	12,666	9,462	7,958	5,905
Total assets, SEK million	13,798	13,581	10,303	8,420	6,041
Interest coverage ratio, times	2.4	3.2	3.4	2.6	2.4
Average return on equity, %	3.2	31.3	16.7	12.7	13.6
Loan-to-value ratio, %	54.6	53.5	55.7	55.1	56.6
Equity/assets ratio, %	38.9	38.6	35.3	34.6	34.2
Equity per share, SEK	34.11	33.23	23.57	19.41	14.39
Equity per share after deduction of hybrid capital, SEK	31.14	30.60	20.58	16.82	14.39
Earnings per share, SEK	0.84	8.41	3.31	2.14	1.86
Long-term net worth per share, SEK	39.35	38.79	28.22	23.20	17.45
Long-term net worth per share after deduction of hybrid capital, SEK	36.38	36.16	25.23	20.61	17.45
Rental value, SEK million	798	738	653	558	438
Economic occupancy rate, %	95	95	95	94	89
Rentable area excluding garage, thousand m ²	491	488	402	341	272

Historical key performance indicators per share have been recalculated taking into account a 4:1 share split in 2022.

Growth, long-term net asset value



Restated taking into account 4:1 share split in May 2022. Long-term net worth per share after the deduction of equity attributable to hybrid bonds.

19%

Average annual growth

Significant events per quarter 2022

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Fair value, SEK million	12,863	13,049	13,136	12,863
Yield (return), %	3.87	3.90	3.86	4.23
Real economic occupancy rate, %	95.1	95.7	95.3	95.2
Net loan-to-value ratio (LTV), %	53.6	54.6	53.6	54.6
	<ul style="list-style-type: none"> • New leases signed with tenants in the public sector/community service segment, including at Limhamn, in Rosengård Centrum, at Entré in Malmö and Kvarteret Hanna in Burlöv. • Swap portfolio restructured to hedge almost half of interest expenses. • Remaining non-controlling interest (3.9 percent) in Signatur Fastigheter acquired and Trianon subsequently owns 100 percent of the company. 	<ul style="list-style-type: none"> • New lease signed with Evidia for an X-ray clinic at Entré in Malmö. • The remaining 50 percent acquired in a retail and residential property in Svedala. • Agreement signed with Peab to build 391 homes for young people in a central location in Malmö. • A 4:1 share split was carried out on 27 May 2022. 	<ul style="list-style-type: none"> • Project to build 391 homes for young people sold to Willhem. • Kv Hanna project with 111 apartments in Burlöv sold to Burlöv Center Fastighets AB. The project will be implemented through a joint venture with Wallfast. • Four teams of architects selected to design Limhamn silos with 15,000 m² gross total area of residential property. The project will be a housing co-operative project in a prime location in Limhamn. • Building rights in Burlöv sold to Tornet through a joint venture. • Realisation of swap portfolio of SEK 142.7 million had a positive effect on changes in value and cash flow. 	<ul style="list-style-type: none"> • Sustainability-linked loan taken out for SEK 1.9 billion. • Issue of new sustainable hybrid bond for SEK 500 million. • Building rights in Burlöv sold to Riksbyggen through a joint venture. • X-ray centre in Entré inaugurated.

THE CEO'S VIEW

A profitable year in a new era



Despite a turbulent business environment, in 2022 we delivered the second-best profit from property management in Trianon's history. Our residential properties, public sector/community service properties and retail properties in residential areas provide us with a stable foundation. We have reviewed our entire operations with a view to cutting costs and adapting to the new conditions of inflation, higher financing costs and increased required return.



Trianon's business plan remains unchanged, even though it will be difficult to achieve our growth targets in the short term. The company has a major focus on increasing yield in order to improve our interest coverage ratio and we will do this through letting, renovating apartments, energy efficiency work, transactions and completing new production.

Russia's invasion of Ukraine had an impact on the entire year, both in human terms and through its effect on the global economy. We saw how inflation climbed, interest rates and energy costs increased and how construction costs reached challenging levels.

For Trianon, this has required us to review all areas of our operations in order to identify how we can reduce costs while at the same time developing the company. The current situation in the global economy has consequences for the property sector through its impact on financing, operating costs and new production.

A profitable year

I am therefore extremely proud to report that 2022 saw Trianon deliver its second-best profit from property management ever. We are achieving three of our five financial targets. There were many positive events during the year and I am proud of how our organisation has handled the external challenges in a committed and intelligent manner. I am proud of how we have worked proactively with our financing and our costs and

of course our positive net letting. I am also proud that even during difficult times, we continue our social sustainability work through our commitment to more jobs, greater security and activities for children and young people.

Rental income grew by 11 percent to SEK 688 million (618) and net operating profit by 11 percent to SEK 440 million (396). The profit from property management fell by 8 percent to SEK 232 million (253) as a result of increased interest and energy costs. Our rental income will increase by approximately SEK 45 million in 2023, partly as a result of rent increases of around 5 percent for our apartments and CPI increases on commercial leases, and partly through new tenants moving into commercial properties and public sector/community service premises. We will also be completing new production projects that are currently under way.

In the fourth quarter, 90 percent of our property portfolio was valued externally. This resulted in us writing down our property value by SEK 412 million, following which we had an average yield of 4.2 percent, which represents

an increase from 3.9 percent in the previous quarter. The transactions that took place in 2022 for residential properties on our market, and which we monitored, closed with a yield of 3–3.5 percent. It is worth noting that in 2021, our properties were revalued upwards by SEK 1.3 billion. Our long-term net worth per share is SEK 36.38, which represents an increase during the year, in spite of everything. Since our listing in 2017, we have increased our long-term net worth by an average of 19 percent per year.

Strong and sustainable financing

We refinanced SEK 4.6 billion at practically unchanged margins during the year. We also strengthened our financial framework and linked it even more clearly to our sustainability goals. We repurchased most of our first sustainable hybrid bond and issued a new one, to unchanged terms, but with new sustainability goals. This is despite a challenging bond market. Four of Trianon's principal owners together hold 65 percent of the sustainable hybrid bond, which represents a strength for the company on future maturity. We took out a sustainability-linked loan with Handelsbanken, which gives us a lower interest rate provided that we achieve certain social and environmental sustainability goals. We sold our swaps during the autumn at a profit of SEK 143 million and we intend to build a new portfolio in line with our finance policy. We have loan commitments and credit decisions in place at our banks to cover all our bonds maturing in 2023. Our hybrid bond aside, we have 100 percent bank financing and therefore do not have to deal with the volatile bond market.

Right place, right segment

Malmö is an attractive place to live and work and it means we are in the right place and in the right segment. Malmö has the strongest growth of any city in Sweden and its population is expected to reach half a million by 2047, which means continued strong demand for housing of all kinds. Even today we already have 100–150 applicants for every apartment that becomes vacant. Despite our residential rents increasing by 5 percent, they are still well below the market rent in Malmö.

Demand for public sector/community properties remains high and we agreed several major lettings during the year for a health centre, school, X-ray clinic and other public sector/community services. These are long and stable contracts, with counterparties such as the municipal authority, the regional authority and the government. There are no signs of any significant slowdown for our commercial properties, largely because our landlords take a structured and aggressive approach to finding new tenants. In 2022, we achieved a record figure for net letting of SEK 21 million, including our joint ventures Burlöv Center and Rosengård Centrum, and at the time of writing I can also see that we have got off to a flying start in 2023, with several new leases.

Acquisitions and new production

In terms of new production, we are continuing the projects we have begun, which we procured at fixed prices. We are delaying the start of several new production projects – mainly because construction costs are unreasonably high at the moment. Trianon has a large building rights portfolio, both on our own books and through our

joint ventures. We found few interesting opportunities to make acquisitions during the year, as the price expectations of vendors were far too high. I expect the gap between buyers and sellers to narrow during 2023. We evaluate all business opportunities and we are ready to make acquisitions when the right property comes onto the market at the right price. Our focus remains on Malmö and its environs to enable us to benefit from the competitive advantages of being a local property owner with good knowledge of the market.

Strong commitment to Malmö

When we say Malmö is important to us, we really mean it. We have been committed to the city of Malmö and its people for many years. We want as many of our tenants as possible to have a job to go to and a safe and peaceful area to live in. That is why we initiate and participate in several projects all over the city, with a particular focus on our own areas. One of the projects I am most proud of provided summer jobs, where 30 young people who live in our properties spent the summer doing property management work. They also received lessons in personal finance and this is one of the ways we are helping to prepare young people for the future. I also have great expectations of our new partnership with the Swedish Public Employment Service, where a number of our tenants are given fixed-term employment with us to work on the external and internal maintenance of our properties.

Goals and focus for the future

We have an experienced and knowledgeable organisation that has been through challenging

times before. Trianon's business plan remains unchanged, even though it will be difficult to achieve our growth targets in the short term. The company has a major focus on increasing yield in order to improve our interest coverage ratio and we will do this through letting, renovating apartments, energy efficiency work, transactions and completing new production. We continue to live by our values of innovation, commitment and courage. Despite these uncertain times, we will be back on our path to growth within the not too distant future. I would like to conclude by thanking all our colleagues for your unswerving commitment to the company and for truly being creative entrepreneurs in all things. Without you there is no Trianon. I would also like to thank our customers, shareholders and business partners for the trust you have shown in us in 2022. It was a good year in a new era and better is still to come.



Olof Andersson, CEO

STRATEGY

Strategic focus

The strong population increase means that there is a housing shortage and that the demand for housing is high in all municipalities in which Trianon operates.

Through innovative solutions and collaborations, Trianon wants to contribute to renewing, developing and enriching the housing and real estate market in Malmö and the surrounding area for sustainable urban development.

We are long-term – with commitment, innovation and courage

Trianon owns, manages, develops and builds properties in Malmö and its environs. With a long-term approach and through commitment, innovation and courage, Trianon aims to achieve sustainable urban development.

Acquire and own – Our property portfolio is located primarily in Malmö and its environs. We take a long-term view of our ownership and build the portfolio based on our knowledge of the region.

Let and manage – We manage our properties with our own personnel to provide our customers with a local and personal service.

Develop – Each building and area has its own development potential which we will make the most of. We are actively involved in long-term sustainable urban development.

Build – We build new housing on a market with a major housing shortage and so contribute to the growth of the region.

Sustainability

Trianon's committed sustainability work leads to positive societal development and the fulfilment of many of the global goals within Agenda 2030.

Core values

Our core values are at the heart of our work. With commitment, innovation and courage, we are building our company and our Malmö of the future.

Trianon will be the best-run and most profitable property company in our region.

The strength of our business is the management and development of properties and areas. Through leasing, value-creating investments, new production and acquisitions, we create value for tenants, society and shareholders.



**ACQUIRE
AND OWN**



**LET AND
MANAGE**



DEVELOP



BUILD



Through **COMMITMENT, INNOVATION** and **COURAGE**, Trianon aims to achieve sustainable urban development.

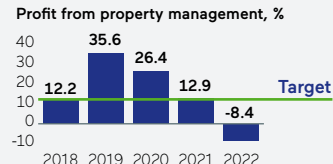


Foundation for activities for young people

Stiftelsen Momentum was founded through contributions from Trianon and MKB (Malmö's municipal housing company), along with private donations from some of Trianon's major shareholders. The foundation provides activities for children and young people all year round, both during term time and in the summer holidays. In total, around 22,000 young people took part in activities during the year, including basketball, circus school, creative workshop, culture workshop, book circles, football and a swimming school, in partnership with local clubs and associations.






Financial targets for Trianon 2022–2024

Coming into 2022, the Board of Directors adopted the financial targets below for Trianon to describe the company's growth ambitions and value creation.

Target	Result 2022	5-year average	Comments
The profit from property management shall increase by 12% annually.	 <p>-8% Target: > 12%</p>	12 % average annual growth	The decrease in profit from property management is mainly due to higher interest costs and an increase in the property portfolio.
Return on equity shall exceed 12% over an economic cycle.	 <p>+3% Target: > 12%</p>	15 % average annual return	The return on equity is lower than in previous years, mainly due to changes in the value of investment properties. Rising market interest rates during the latter part of the year increased the required return for some of Trianon's properties, which has resulted in write-downs.
The loan-to-value ratio shall not exceed 60 % of the property value.	 <p>54.6% Target: < 60%</p>	55%	The loan-to-value ratio has been positively affected by the redemption of the derivatives portfolio and negatively affected by changes in the value of investment properties.
The interest coverage ratio shall exceed 1.75 times the financial expenses, including interest expenses for derivatives.	 <p>2.4 times Target: > 1.75 times</p>	2.8 times	The interest coverage ratio has been affected by higher market interest rates, particularly during the latter part of the year.
Annual investment profit from the project portfolio shall amount to at least SEK 100 million.	SEK 114 million Target: > SEK 100 million		Annual investment profit is mainly affected by the new production projects of Sege Park, Hyllie Badmössan and Kv Hanna and by the redevelopment of the Entré property Rolf 6.

Sustainability goals for Trianon 2022–2024

Coming into 2022, the company's Board of Directors adopted sustainability targets below for Trianon. The goals are directly linked to Trianon's assignments and business and to the company's ambition to contribute to long-term, sustainable societal development.

Target	Result 2022	Comments	Sustainable Development Goals
Build more rental apartments with reasonable rents and renovate cost-effectively <ul style="list-style-type: none"> Produce apartments with reasonable rent that are within the reach of low- and middle-income earners. Renovate 200 apartments per year, of which 150 according to Trianon's Basic Model to promote long-term living. 	<p>0 apartments</p> <p>151 renovated apartments</p>	<p>Of the 700 apartments in production, no apartments were completed in 2022. The number of renovations was lower than in previous years because fewer tenants moved during the year. Trianon renovates when there is a change of tenant.</p>	 
Reduce unemployment in residential areas during 2022–2024 <ul style="list-style-type: none"> Via social clauses, stipulate requirements for Trianon's contractors to give work to 20 unemployed people. Offer 6 people who live in the company's residential areas fixed-term/hourly employment. Create 100 summer jobs for young people living in Trianon's areas. 	<p>7 people in internships</p> <p>1 people in fixed-term/hourly employment</p> <p>34 summer jobs</p>	<p>In 2022, Trianon's contractors provided internships to 7 unemployed people in the production of Kv Hanna, Rosengårdsbiblioteket and Sege Park. One (1) person who lives in Trianon's residential area has been employed. 34 young people who live in Trianon's residential areas were given summer jobs.</p>	 
Reduce homelessness during 2022–2024 <ul style="list-style-type: none"> Offer 60 of the company's terminated apartments to counteract homelessness. 	<p>25 apartments</p>	<p>Every year, vacant apartments are made available to Malmö stad and other municipalities for housing homeless people. There were 25 apartments provided in 2022.</p>	 
Reduce energy consumption in our properties and increase the proportion of renewable energy sources <ul style="list-style-type: none"> Through targeted efforts, reduce energy consumption by 10 percent in kWh during 2022–2024.¹ Install solar cells in existing stock corresponding to 100,000 kWh/year. 	<p>5,5% energy saving</p> <p>100,000 kWh output from self-installed solar panels</p>	<p>Energy consumption in 2022 has been reduced by 5.5% from 131 kWh/m² to 124 kWh/m² through investments in energy-saving measures. Solar panels were installed in 2022 with an estimated output of 100,000 kWh per year. Read more on pages 27–29.</p>	  

¹ The target refers to normal-year-adjusted kWh savings in properties owned as at 31 December 2021. The target pertains to properties that we intend to own and manage in the long term.

War, energy prices and inflation affecting the Swedish real estate market

As a result of the ongoing war and Russia's use of restricted gas supplies as a weapon, energy prices have rocketed and have never been as high as in 2022. In December, CPI inflation was at 12.3 percent, while CPIF inflation was at 10.2 percent compared with December 2021. The total transaction volume for 2022, excluding conditional transactions, was SEK 219.6 billion, which is a good 45 percent lower than for the full year 2021.

Real estate market and transactions in Sweden

The total transaction volume for 2022, excluding conditional transactions, was SEK 219.6 billion, which is a good 45 percent lower than for the full year 2021. The year began with high transaction levels during the first two quarters, although Q3 was considerably weaker and significantly below normal level. Volumes recovered slightly in Q4, driven partly by a small number of larger transactions, and finished on a par with historical levels. Foreign investors accounted for around 24 percent of the transaction volume during the year, which is 8 percentage points higher than for the full year 2021.

The Stockholm region accounted for the greatest share of the total transaction volume in 2022, with 41 percent, while Malmö and Gothenburg accounted for 5 percent and 9 percent respectively of the total transaction volume.

Real estate market in Malmö and the Öresund region

Malmö is Skåne's seat of provincial government and is also the county's largest city, with the municipality's population totalling more than 357,000 at the end of 2021. This corresponds to an increase of 5,700 people over 12 months. The population growth is due mainly to a positive net birth rate and a positive net migration rate.

Population growth is expected to remain positive in the future and in Malmö stad's population forecast of April 2022, the population of Malmö is estimated at approximately 399,000 inhabitants by the end of 2032, which corresponds to a total increase of 47,000 people or an average of 4,200 people per year. The city's own forecast is also in line with that of Statistics Sweden, where the number of inhabitants of Malmö municipality is forecast to total 407,500 in 2040.

Similar to the population trend, the real estate market is also stable and transaction activity remains relatively high. Malmö's proximity to Denmark and Copenhagen, as well as the municipality's share in the Öresund region economic engine, is driving strong investor interest. The Malmö region has strong project activity with good infrastructure development, including the four-track expansion of the railway between Malmö and Lund. The Fehmarn Bält railway tunnel between Denmark and Germany, which is expected to halve the travel time between Germany and Skåne, is also having a positive effect.

Residential market in Malmö and environs

There is still a clear housing shortage in the Malmö region and according to the Housing Market Survey of the Swedish National Board of Housing, Building and Planning from May 2022,

Malmö municipality reports a shortage on the local housing market in the municipality. Pent-up demand for housing in conjunction with rapidly rising population growth are contributing to very high demand for new housing in both Malmö municipality and its neighbouring municipalities, such as Burlöv, Svedala and Skurup. Malmö stad forecasts a need for approximately 2,000 new homes every year until 2026 in order to meet the demand for housing resulting from Malmö's strong population growth. Malmö stad's population forecast of April 2022 identifies a discrepancy

in the market, where people with limited ability to pay or who are not firmly established on the housing market are having difficulty finding a home they can afford.

Residential properties have generally been regarded as a safe investment, as demonstrated in recent years as housing has been identified as one of the safest property segments on multiple occasions. This has resulted in rising prices in



Mercurius 5, Malmö, Sweden..

recent years, with the required return falling across practically the entire country as a result of cheaper financing in the form of low policy rates.

A lot has changed over the past year, however, as the uncertainty in the market has grown. The residential segment remains the largest in terms of proportion of total transaction volume, but is at 23 percent in 2022, compared with levels of over 30 percent in previous years. The Malmö region, like the rest of the country, has also been affected by a reduction in investments in the residential segment during 2022.

The required property yield for housing in attractive residential areas of Malmö has increased compared with previous years and varies within the range of 2.35–3.50 percent. Rent negotiations with the Swedish Union of Tenants in Malmö have resulted in rent increases of 1.25 percent in 2022 and 5 percent on 1 January 2023. At the same time, there are still no vacancies in almost all parts of Greater Malmö, resulting in long waiting lists. The low vacancy rate, high demand and need for housing applies in all areas where Trianon owns residential properties, including central Malmö, Limhamn, Slottsstaden, Oxie and Lindängen.

The combination of demographic changes, high demand for rental properties and tenant-owner homes and a construction rate that does not exceed the forecast demand means that the market outlook for rental properties in Malmö remains good. This provides great opportunities for a required return that will recover in the coming years, within both newly built rental properties and older properties within the portfolio.

Commercial properties

After years of restrictions in society, the retail trade in Sweden made a strong start to 2022, particularly in relation to sales of clothing, shoes, jewellery and other accessories. However, even as the year began, higher prices for raw materials, transport and energy were hanging over the sector and

the Russian invasion of Ukraine only made things worse. The segments that have coped best are the non-cyclical ones, such as food and pharmaceuticals.

The retail properties in Trianon's portfolio are largely close to residential areas. The company also continued to work on the development of Malmö Entré during the year, with the aim of complementing the range of retail, entertainment and cultural offerings close to residential areas, with public sector/community services and office space. Recent rentals include a newly signed lease with Nabo Group AB, which is renting 625 m² of office space and taking up occupancy in 2024.

The office market has weathered the storm and remained strong in 2022. Both rents and vacancies have held at stable levels during the year and demand has remained high, despite the possibility of a future recession. On January 1, 2023, Trianon's rents in commercial properties were increased by 10.9 percent. Demand for attractive offices in central locations close to local services has been particularly strong. Despite the strength of the office market, the segment's share of the transaction market has declined, with offices accounting for around 13 percent of the total transaction volume in 2022, compared with 21 percent the previous year.

Going forward, it is thought that offices in central locations and in attractive locations outside the city that have good access to services will remain attractive, while more peripheral office properties may experience difficulties. Companies leasing "hubs" is also expected to be an increasingly common occurrence.

The market for office premises in Malmö remain stable. Rents, which are affected by factors such as geographical location, condition, standard, general market structure and the local business structure, have generally increased during the year in all districts. The strongest growth can be seen within the CBD, Hyllie and Västra Hamnen, which

indicates that demand for suitable centrally located office premises remains good.

Trianon owns fully let offices in turn-of-the-century properties in central Malmö, which are also in high demand on the rental market. Well-preserved office premises in attractive locations are the type of office property where the future vacancy risk is deemed to be low, even as newly built products are brought onto the market. Favourable conditions for continued growth are therefore forecast.

Public sector/community service properties

Public sector/community service properties is the general name given to properties that are specifically adapted for public sector and community services and which are predominantly used by tax-funded operations such as education, healthcare and social care, retirement homes, the judicial system and other public authorities. This type of property is characterised by publicly funded tenants and provides a stable return relative to risk. Trianon owns public sector/community service properties in various geographical areas with operations in retirement homes, LSS housing, libraries, healthcare centres, care homes, recreation centres, preschools and dentists, for example.

Public sector/community service properties have performed very well in recent years and the increased interest in the segment is partially explained by changes in the ownership structure, where ownership previously lay solely with the government, county council or municipal authority. The greater level of interest is also the result of the social and demographic development that is taking place in Sweden, with an increasing and ageing population as well as growing family sizes. This development is particularly noticeable in Malmö, which is forecast to have the highest population growth of Sweden's three major cities, making it an attractive location to invest in properties for education, healthcare and social care, for

Real estate market participants in Malmö and its environs

Larger real estate companies, residential:

- Stena Fastigheter
- Heimstaden
- Willhem
- Victoriam
- Municipal housing companies

Larger real estate companies, public sector/community service:

- Hemsö
- Rikshem
- Municipal real estate companies

Larger real estate companies, offices:

- Castellum
- Vasakronan
- Wilhborgs

Larger real estate companies, retail:

- Atrium Ljungberg
- Steen & Ström

example. From an investment perspective, public sector/community service properties are therefore an increasingly attractive option for both national and international investors.

There has been a strong investment appetite for public sector/community service properties throughout Sweden, but a relatively limited supply has resulted in a comparatively low transaction volume for the segment in the Malmö region. There should nevertheless be a demand for maintenance within the existing stock, a demand that is increasing every year and in a few years' time may provide significant business opportunities within the segment.

Source: Newsec's market overview 2022.

Property portfolio with a focus on housing in Malmö

Trianon's property holdings are mainly located in Malmö and the surrounding area and consist of residential, public sector/community and commercial properties. In total, the property portfolio consists of 154 properties with a total rentable area of 491,000 m². In addition to this, there are around 3,000 garage and parking spaces. The portfolio contains approximately 5,100 rental apartments. The table includes the Svedala 1:87 property, where possession will be taken in April 2023. This has 53 apartments, an estimated rental value of SEK 6 million and a property value of SEK 112 million.

As at 31 December 2022, the market value of the property portfolio was SEK 12,862.6 million (12,665.5). The distribution by category in terms of the market value of the properties was: Residential 73 percent (75), public sector/community properties 12 percent (10), commercial properties 15 percent (15). Following lettings in the public sector/community segment, the Rolf 6 (Entré) property has moved from the commercial to the public sector/community segment. The economic occupancy rate rose to 95.2 percent (95.0) during the year, which is the result of increased net letting of SEK 21.4 million. During 2022, rental bad debts (actual and anticipated) amounted to 0.1 percent (0.6) of total rental income.

Major tenants

- Malmö Stad
- Region Skåne
- Ica Sverige
- Coop
- Axfood
- Systembolaget
- Swedish Migration Agency
- Apoteket
- Lidl

Earning capacity per segment

Property category	Number of properties	Number of apartments	Rentable area, m ²	Property value		Rental value	
				SEK million	SEK/m ²	SEK million	SEK/m ²
Residential ¹	105	4,819	353,717	9,199	26,007	541	1,529
Public sector/community	21	214	57,103	1,515	26,527	107	1,870
Commercial ²	19	62	65,219	1,851	28,380	143	2,196
Total excluding project properties	145	5,095	476,039	12,565	26,394	791	1,661²
Projects	10	2	18,621	410	-	8	-
Total including project properties	155	5,097	494,660	12,975	26,394	798	1,661

Property category	Economic occupancy rate	Rental income, SEK million	Operating surplus, SEK million	Surplus ratio	Net operating profit, excl. admin, SEK million	Yield excl. admin ³
Residential ¹	99%	533	356	67%	372	4.0%
Public sector/community	88%	93	67	72%	70	4.6%
Commercial ²	88%	126	87	69%	90	4.9%
Total excluding project properties	95%	753	510	68%	532	4.2%
Projects	-	6	-1	-	0	-
Total including project properties	95%	758	509	68%	531	4.1%

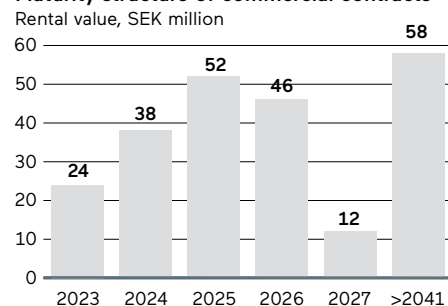
The division of the properties in accordance with the above is based on the predominant share of rental value.

¹ The Residential segment includes the Svedala 1:87 property, where possession will be taken in April 2023.

² With effect from and including the first quarter of 2022, retail and office properties are reported jointly under the designation commercial.

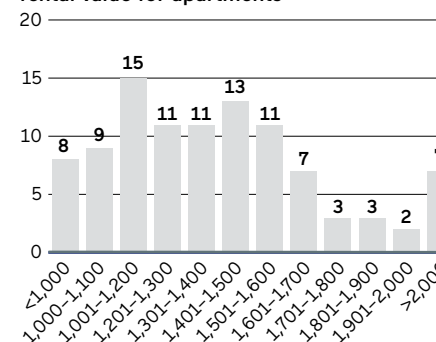
³ The rental value as at 31 December 2022, solely of apartments, excluding block contracts, in the full property portfolio averaged SEK 1,363 per m² before the rent increases for 2023.

Maturity structure of commercial contracts



WAULT
4.2 years
 Average remaining lease term, weighted by agreed rental income.

Percentage distribution of the rental value for apartments



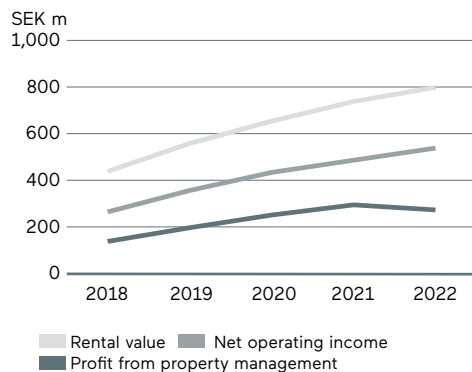
SEK 1,363/m²
 Average rent level

Earning capacity

The earning capacity on a 12-month basis should not be equated with a forecast for the next 12 months. For example, the earning capacity does not include assessment of rent trends, vacancies, or changes in interest rates. Trianon's income statement is also affected by the trend in the value of the property portfolio as well as upcoming acquisitions and/or sales. In addition, the income statement is affected by changes in the value of derivatives, which are also not taken into account in the earning capacity described.

Earning capacity is based on the contracted rental income, estimated property expenses over a normal year and the expense of administration. Properties acquired during the period have been adjusted to full-year. Expenses for the interest-bearing liabilities are based on the consolidated average level of interest including the effect of derivative financial instruments calculated on the net debt.

Historical earning capacity



Actual earning capacity, 12 months

SEK million	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021
Rental value ¹	798.4	755.3	750.9	746.3	737.8
Vacancies	-28.2	-24.6	-20.2	-20.9	-22.3
Contracted vacancies	-3.8	-5.4	-6.7	-11.8	-11.6
Reductions	-8.2	-6.5	-5.1	-4.5	-3.1
Other income	6.7	6.1	6.1	6.0	6.2
Rental income	765.0	724.9	724.9	715.1	707.0
Property costs	-226.8	-222.7	-222.7	-221.8	-221.1
Property administration	-22.1	-21.2	-22.1	-22.1	-21.4
Operating surplus	516.0	481.0	480.0	471.2	464.5
Surplus ratio	67%	66%	66%	66%	66%
Central administration	-65.4	-56.0	-56.0	-56.0	-56.0
Profit/loss from participations in associates and joint ventures	24.2	26.2	24.4	23.5	20.2
Ground rent	-6.1	-6.1	-6.1	-6.1	-6.0
Financial income and expenses	-196.1	-153.7	-126.4	-133.9	-128.3
Profit from property management	272.6	291.4	316.0	298.7	294.4
Profit from property management attributable to:					
Parent shareholders	272.6	291.4	316.0	298.7	293.7
Non-controlling interests	0.0	0.0	0.0	0.0	0.7

¹ Average rent increase of 5 percent for residential properties taken into account for 2023.

The Svedala 1:87 property, where possession will be taken in April 2023, is included in earning capacity for three quarters of 2023.

Current earning capacity of associates and joint ventures

The table below shows the earning capacity of associates and joint ventures on a 12-month basis. It is important to note that the current earning capacity is not to be equated with a forecast for the coming 12 months.

The table is presented as 100 percent of the earning capacity of the property, and Trianon's holding is shown in the table below. This has been calculated on the same principles as for Group companies. Trianon, jointly with Wallfast, acquired the Burlöv Center property at the end of 2020, a major urban development project with a potential development of 1,000 residential units. Rosengård Centrum has been owned since 1 September 2021 in a joint venture involving Trianon, Brunswick Real Estate and Bonnier Fastigheter. The joint venture will develop Rosengård Centrum with new retail units, public sector/community services and homes.

Actual earning capacity, 12 months

Associates and joint ventures

SEK million	31 Dec 2022	31 Dec 2021
Rental value	164.7	154.0
Vacancies	-19.7	-25.4
Contracted vacancies	-0.2	-5.9
Reductions	-5.5	-6.6
Rental income	139.3	116.1
Property costs	-49.0	-44.0
Property administration	-2.6	-3.6
Operating surplus	87.8	68.5
Surplus ratio	63%	59%
Central administration	-17.7	-9.7
Ground rent	-1.7	-1.7
Financial income and expenses	-20.0	-16.8
Profit from property management	48.3	40.3

Joint ventures

Property	Trianon's holding
Burlöv Arlöv 22:189	50%
Burlöv Kv Hanna	50%
Burlöv Tågarp 15:4, Burlöv Center	50%
Malmö Bojen 1	50%
Malmö Fendern 1	50%
Malmö Landshövdingen 1, Rosengård Centrum	50%
Malmö Smedjan 2	50%



Summer jobs

Every summer, Trianon employs tenants aged 16–20 from its residential areas as summer workers. They help out with practical tasks, giving them contact both with Trianon employees and with other summer workers of the same age. Summer workers do not work in their own part of the city, which helps them get to know all the different areas of Malmö and extend their social network.

Our social engagement

Trianon is more than a property company. We are a committed stakeholder in society that is actively involved in local and national initiatives to help achieve sustainable urban development. Through our close cooperation with local stakeholders, we create a greater feeling of security and confidence in the future in our properties and areas. Alongside providing human value and positive social development, our sustainability work also contributes to long-term, secure and good returns for our shareholders.

How our sustainability work is governed

The Trianon Board identifies how sustainability issues affect the company's risks¹ and business opportunities. Trianon's business development manager is responsible for the company's overall sustainability work. The company's management team is responsible for its management and follow-up.

In daily work and in contact with suppliers, business contacts and other stakeholders, there are a number of policies, guidelines and governing documents that set out Trianon's rules and approaches, the most important of which are:

- Business plan – business concept, goals, strategy and core values, including sustainability goals
- The Board's rules of procedure and CEO instructions
- Finance policy
- Environmental policy
- Purchasing policy
- Policy against victimisation
- Code of conduct for employees
- Code of conduct for suppliers
- Communication policy
- Risk policy
- Tax policy

¹ For information about the company's risks and risk management, please see pages 50–52.

Sustainability work focused on social issues

Trianon carries out focused and long-term work on measures to reduce the company's energy consumption and climate impact. However, it is social sustainability issues that the Board has identified as an area where Trianon can bring the greatest benefit to society. Trianon's sustainability work therefore has a great emphasis on social initiatives aimed at opening up the housing market to more people, getting more people into work and establishing a greater feeling of security and well-being in the company's properties and areas. Trianon's social engagement is described on pages 22–23.



Trianon's sustainability goals 2022–2024



Build more rental apartments with reasonable rents and renovate cost-effectively

- Produce apartments with reasonable rent that are within the reach of low- and middle-income earners.
- Renovate 200 apartments per year, of which 150 according to the Trianon Model to promote long-term living. Read more on pages 36–37.

Result 2022

- 0 apartments
- 151 renovated apartments



Reduce homelessness

- Offer 20 apartments per year (60 apartments in 2022–2024) of the company's terminated apartments to Malmö stad and other municipalities to counteract social and economic homelessness.

Result 2022

- 25 apartments



Reduce unemployment in the residential areas

- Via social clauses, stipulate requirements for Trianon's contractors to give work to around 7 unemployed people per year (20 people in 2022–2024).
- Offer 2 people (6 people in 2022–2024) who live in the company's residential areas fixed-term/hourly employment.
- Create 33 summer jobs per year (100 summer jobs in 2022–2024) for youth residents of Trianon's areas.

Result 2022

- 7 people have been given work placements with contractors
- 1 person
- 34 young people



Reduce energy consumption in our properties and increase the proportion of renewable energy sources

- Through targeted efforts, reduce energy consumption by 3.33 percent in kWh per year (10 percent in 2022–2024¹).
- Install solar cells in existing stock corresponding to 100,000 kWh/year.

Result 2022

- Energy-saving: 5.5 percent
- Renewable energy: 100,000 kWh

¹ The target refers to normal-year-adjusted kWh savings in properties owned as at 31 December 2021. The target pertains to properties that we intend to own and manage in the long term.

How we set our sustainability goals

Active and purposeful sustainability work contributes to increased business opportunities and reduced business risks. The market, and society as a whole, expect a company such as Trianon to contribute to achieving both climate targets and good social development.

Trianon's sustainability goals are based on the UN's Sustainable Development Goals and are designed to be ambitious but not unrealistic. At the end of 2021, Trianon's Board of Directors adopted sustainability goals for 2022–2024. These goals, together with the results for the first year, are reported on the left.

Enhanced Platform on Sustainable Finance

In 2022, Trianon's Platform on Sustainable Finance was enhanced in order to reflect the increased interest in social assets within the real estate sector. Having previously covered only bonds, now all debt instruments can be included in the platform, which has been prepared in accordance with Sustainability Bond Guidelines (developed by ICMA) as well as Green Loan Principles and Social Loan Principles (developed by LMA). An independent third party, ISS ESG, has performed an external review of the framework.

Business ethics and anti-corruption

The construction and real estate sectors have, over the years, been industries plagued by various

kinds of irregularities, such as illegal workers, bribery and illegal subletting. Trianon is fully aware of these issues and works continuously to establish the company's values throughout the business and ensure they are integrated in all collaborations, processes and procedures. Trianon's suppliers are expected to comply with applicable laws and regulations as well as Trianon's policies and guidelines. Trianon does not have a separate anti-corruption policy but has included this area in the company's code of conduct. There were no corruption cases for Trianon to deal with in 2022.

Whistleblowing

Trianon as a workplace and company must be characterised by trust, respect and humility. Everyone must be able to trust us and both employees and suppliers must comply with the code of conduct. Anyone who suspects or considers themselves to have suffered any misconduct or irregularities should first contact their immediate manager or responsible buyer at Trianon. The company's whistleblowing service, which is available at www.trianon.se, also gives everyone an opportunity to anonymously report suspicions of misconduct or irregularities. In 2022, no cases were reported via the whistleblowing service.

For sustainability risks, see Risks and risk management on pages 50–52.

Inclusion creates safe areas and a well-functioning housing market

Having your own home is one of the fundamental things in life. Home is where we feel safe, where we plan the next stage of our life, where we spend time with family and friends. It is easy to reduce the real estate market to buildings and square metres, to houses and gardens, to revenue and costs. But it is also about the people who are in the buildings and the residential areas and who add the soft value to the property sector. For Trianon, it is important that the company's tenants are happy and that they feel safe in our buildings. That is why we devote our energies to creating an inclusive housing market with attractive and inclusive residential areas.

Trianon's social sustainability work is based on the global goals and a conviction that the right initiatives can contribute to increased security, employment and attractiveness. This work involves both general choices in terms of how Trianon will influence the housing market and about specific measures at area level. It is about strong social engagement that also has a commercial basis. A safe and peaceful residential area with high employment and a stable socio-economic basis has lower turnover, less wear and tear and is more attractive, which has a positive impact on the property value.

Safer residential areas

The housing market in Malmö and its environs has been highly segregated for many years, with attractive areas by the sea to the west and large "million programme" areas in the southern and eastern parts of the city. At the same time, Malmö is the only city in the country that does not have any suburbs – it takes no more than 30 minutes to cycle across the entire city. In other words, it is not generally the geographical location that determines the attractiveness of a residential area, but

rather its socio-economic status and perceived level of safety. Trianon implements extensive security measures in its residential areas, with regard to the outdoor environment and lighting for example, as well as basic measures to keep everything clean and tidy in the work carried out by the caretakers of the individual properties. The company takes part in night patrols and neighbourhood security surveys in Lindängen and Hermodsdal and refurbishes meeting places and playgrounds. Our partnerships with local sports clubs establish local engagement and good relations between landlord and tenants. Trianon is also involved in local and national initiatives (see Collaborations and projects on page 23) and in Stiftelsen Momentum, where many of Trianon's principal owners have provided private financing.

Trianon has for many years employed residents to work with servicing and maintenance in its areas. This establishes recognition and a deeper relationship with the tenants and also provides valuable insights into the needs and wants of the tenants. Trianon also includes social clauses in its procurement, committing contractors to provide tem-

porary employment or internships to unemployed residents of the company's areas. Getting more people into work has a positive social impact for individuals and families, as well as for the area as a whole.

Inclusive housing market

All people should be able to afford to live well. One of Trianon's most important goals is to provide more apartments with reasonable rent, so that more people can afford to move in. For many years, Trianon has built new homes with the help of government investment support, which has now been abolished. Trianon is still awaiting a response to three applications that were submitted before the end of 2021 and which should be covered by investment support.

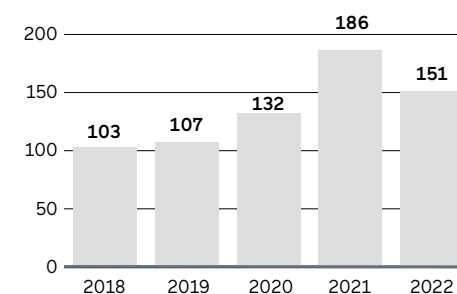
It is a long-held ambition of Trianon to build good housing with reasonable rents, one example being Kvarteret Hanna in Burlöv. One model is to build properties with mixed forms of lease, which contributes to increased integration and the opportunity to be on the housing ladder at different stages of life.



Focus 2023

- Continue to use the CSI survey via AktivBo to measure the customer satisfaction of our tenants, which provides structure for our sustainability work.
- Launch the "Färdighet ger möjlighet" (Skills provide opportunities) project to increase security by giving more tenants the opportunity to work in our areas.
- Continue to work with neighbourhood security surveys and action plans to increase well-being and security in our areas.

Number of renovations in Trianon's total stock



Another way of creating an inclusive housing market is careful renovation that keeps rents at reasonable levels. Trianon carries out renovations according to a model where apartments are renovated quickly and cost-effectively when there is a change of tenant. This ensures as little disruption as possible for the other tenants and, through joint purchasing and careful choice of materials, can keep costs down. With Trianon's model, the monthly rent generally increases by SEK 1,000–2,000 after renovation, depending on the size of the apartment.

Trianon also contributes to an inclusive housing market by having flexible income requirements for renting apartments. Trianon requires a net income of 1 x rent and accepts various forms of employment, including hourly employment. These requirements are less strict than most other private landlords and also than public housing (MKB in Malmö). Welfare support has been approved as income for 10 percent of the company's apartments that become vacant and every year vacant apartments are made available to Malmö stad for housing homeless people.

“We want to create safe residential areas where as many people as possible have work to go to. This improves the well-being of our tenants and provides economic benefits to us as a company.

Anna Heide, Head of Business Development.



Collaborations and projects



Stiftelsen Momentum

Stiftelsen Momentum Malmö is a non-profit foundation formed by Trianon's principal owner, Trianon and Malmö's municipal housing company MKB. The foundation is a unique collaboration for the Malmö of the future with a focus on benefiting society by improving the growing up conditions and future opportunities of children and young people. The foundation's goal is to contribute in the long term to a socially sustainable and safer Malmö. In practical terms, this means that children and young people in the residential areas of Nydala, Hermodsdal, Lindängen and Rosengård should have meaningful and stimulating leisure time outside school hours and during the school holidays. There are lots of activities from many different providers, mainly local sports clubs and cultural associations such as FC Rosengård, BK Olympic, Hela Malmö, Stiftelsen Låxhjälp and Tillsammans i förening. In 2022, around 22,000 young people took part in activities such as basketball, circus school, creative workshop, culture workshop, book circles, football, help with homework and swimming school.

AktivBo

In partnership with AktivBo, CSI (Customer Satisfaction Index) surveys are carried out to find out what the tenants think about Trianon as a landlord, about the housing, about the physical environment, the security of the area and the company's ability to provide good service. Both tenants and employees are continuously involved in the work that will generate both physical and social improvements in the areas. This work is conducted as a long-term project with internal involvement in management, business development and communication. The CSI surveys and the development work in the areas of Nydala, Hermodsdal and Lindängen aim to increase well-being and security and, in the longer term, also property values. This work is also connected with Trianon's sustainability-linked loan from Handelsbanken, where one of the KPIs is increased security in the above-mentioned residential areas. Read more on page 45.

Yalla Trappan

Yalla Trappan works to get more women who are distanced from the labour market into employment, strengthen women's independence and health, but also contribute to increased security and service in the local area. During 2020–2022, Yalla Trappan and Trianon have had a cooperation agreement in Lindängen, where Yalla Trappan rents premises to run a café and lunch service in Trianon's property on Munkhättégatan. The aim of this collaboration has been to get more women from the area into work, while also increasing security and service in the area through the business, which operates from the ground floor of the newly constructed building. Trianon also contributes to the employment of women in Rosengård by engaging Yalla Trappan as a social enterprise and cleaning contractor at Rosengård Centrum.

Her House Foundation

The Her House Foundation aims to support, promote and improve the health, rights and well-being of women through a range of long-term preventive initiatives, focusing on domestic violence. A frequent problem for women who are affected by domestic violence is that following the emergency support they receive, they are not given help to move to a different permanent residence in order to get away from the perpetrator. Her House works with real estate companies and acts as a link between women looking for somewhere to live and the real estate companies and they support the women throughout the process. Through Trianon's partnership with Her House, the company offers the foundation apartments with a main tenancy agreement, where women who need long-term sheltered accommodation can begin their new life.

Job satisfaction and ability to influence create a sustainable workplace

A supportive and friendly climate is one of the cornerstones of Trianon's corporate culture. Employees are given great opportunities to take responsibility and a sense of humility and entrepreneurship permeates the company.

Safe employees who are given and take responsibility do a better job. This is the basis for Trianon's work to develop employees and leadership within the organisation. Trianon has a flat organisation, where the individual employee is given great responsibility and where the culture of humility means that employees have the desire and ability to live up to the company's three values: commitment, innovation and courage.

Employee survey

Every year, an employee survey is conducted in collaboration with the occupational health service to measure how satisfied the employees are with their workplace. Trianon's employees are generally very happy, but the results have produced three focus areas that are receiving additional attention: leadership, participation and workload/stress. After analysing the survey, Trianon has held group discussions and created a year planner containing activities and initiatives linked to the results of the employee survey. This enables initiatives to be implemented where they are needed, in a methodical and structured manner.

An inclusive culture

Six times a year, all employees attend a staff meeting in person where they are brought up to date about what is happening in the company. Short meetings referred to as quarter meetings are also held at regular intervals, where the employees connect via Teams and are given information on a specific issue or concerning a particular incident. Group discussions are also used to provide employees with the opportunity to discuss and reflect on different topics. In 2022, such discussions were held on matters such as ethical issues relating to suppliers and the relationship with tenants, as well as on the subject of energy, given the rising prices, with a focus on ideas for making savings.

Induction programme for new employees

All new employees at Trianon are given an induction programme where they meet a range of key personnel in the company who talk about their area of responsibility. This makes it easy for new employees to understand the company's values and working methods and gives them a chance to establish relationships with their new colleagues.

For Trianon, the induction programme is a way of ensuring that everyone who works for the company understands the company's values and their own role in the overall picture. Work continued in 2022 to integrate the employees who joined through the acquisition of Signatur Fastigheter.

Work environment and risk assessments

Trianon carries out systematic work environment management in close cooperation with the occupational health service. Training initiatives were implemented during the year and all employees received CPR training. Caretakers were also given fall prevention training. Based on a safety inspection, Trianon has continued to improve its safety equipment and, among other things, has drawn up new guidelines for workwear and protective equipment.

Skills development

Trianon is an open and value-driven workplace that provides space for employees to participate in development issues. The skills development of each individual employee is discussed and determined in consultation with their immediate manager and

Control and follow-up

Trianon currently has around 90 employees and work environment management is coordinated by HR. This work takes place in accordance with Swedish law and the Swedish Work Environment Authority's regulations. Governing policies for the organisation include:

- Code of conduct for employees
- Procedure for discrimination cases
- Information security policy
- IT policy
- Guidelines for telephony and email
- Guidelines for homeworking

A personnel handbook contains laws and specific rules as well as information on, for example, working hours, insurance, holidays and benefits.

With regard to Trianon's relationship with suppliers, stringent demands are placed on working conditions and safety and these are described in the company's Code of Conduct for suppliers. Trianon also has rules on systematic reporting of damage at contractors, where each incident is followed up to prevent similar damage from happening again. Follow-up takes place partly through regular meetings with suppliers and employees, and partly through an annual employee survey.

95%

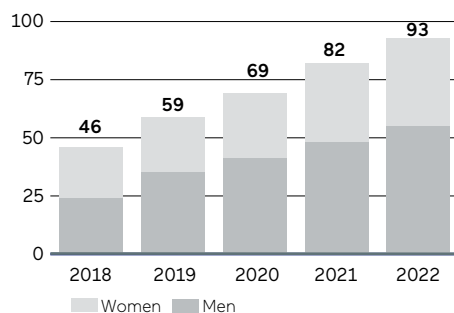
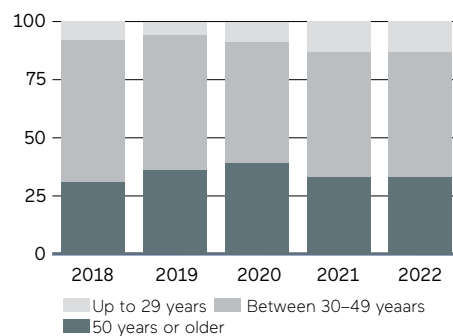
Health rate (95)

Total number of hours minus number of sick hours in relation to the number of hours worked during the year.

88

Number of employees at year-end (89)

44 years old

Average age (42)**Average number of employees****Age distribution, %****Distribution, managers****Distribution, all employees****Focus 2023**

- A sustainable working life for employees through continued focus on the areas of participation, leadership and workload/stress.
- Workshops on self-leadership designed to provide knowledge and tools to enable work to be carried out in the best possible way with increased motivation, job satisfaction and lasting well-being, both at and outside work.
- Review of the company's HR processes in order to be an attractive workplace for both existing and new employees.
- Review of internal communications and the corporate culture, through choice of channel and value workshops.
- Continued focus on implementation of policies.
- Safety inspections in all residential areas.

a sum of money is set aside for skills development for every employee. An action plan for individual skills development is drawn up at the annual employee reviews. One way of retaining talented employees is through the various internal career path that are available. Trianon promotes job rotation and encourages employees to develop further by seeking new roles within the company.

Equality and diversity

Overall, Trianon has a relatively even distribution of female and male employees. In terms of area distribution, however, there are efforts to be made. The staff at head office are predominantly female, while the majority of caretakers are male. Trianon works in different ways to equalise the gender balance at departmental level as well, including by trying to recruit women as caretakers or property managers and men in administrative positions. See statistics on page 25. The majority of Trianon's operations are in Malmö and the company strives to reflect the rich diversity of the city in its employees. There is a benefit from having employees who can speak several languages and are able to communicate easily with tenants who do not speak Swedish.

Health and wellness

Health checks are carried out on the employees every two years and examine factors such as physical activity, lifestyle and mental well-being. The results are evaluated together with the occupational health service and any measures are implemented.

All employees are encouraged to undertake exercise and movement, with an increased wellness contribution and joint activities during the year. During the year, employees have been offered the opportunity to take part in movement challenges by recording their steps and other activities and then competing in teams for prizes. Everyone has listened to an inspirational presentation on motivation and sustainable training. The health rate is at 95 percent, which is on a par with the previous year (95).

Responsible supply chain

Trianon is very aware of the risks that exist in the industry with regard to human rights (such as fair pay, working conditions and forced labour). To ensure compliance with human rights, the company is careful to work only with established and serious partners who live up to current rules and requirements.

Trianon cares about everyone who works in the company's supply chain. Continuous dialogues are conducted in procurement of materials, renovation projects and new production to ensure that suppliers can guarantee good working conditions, safety during construction and that none of their employees work without a contract. Trianon's code of conduct for suppliers (which includes anti-corruption) is discussed and signed when a contract is entered into and regulates the importance of all goods and services purchased being produced and supplied under sustainable and responsible conditions.



Lena is helping to increase security with more jobs in the residential areas

Tenant Lena Andersson had argued long and hard to be the stair cleaner in the Vårsången area in Malmö, before Trianon's CEO Olof Andersson finally gave in and employed her. Olof was dubious about having a tenant as an employee of the company, but Lena saw things from a different perspective.

"I thought that those of us who live here could look after the building even better than someone who doesn't. We know the area and we know our neighbours. Several years later, we can now see that I was right – this has become a key part of how Trianon works. It's great to see how things have developed since I nagged my way into that first job."

Except for a brief period, she has lived at Vårsången, in Lindängen, Malmö, her entire life. Today she works with property management and outdoor environments – keeping things clean, picking up litter, making sure that the waste disposal rooms

and stairwells are in good order. She knows most of the people in the area and keeps a general eye on things even when not at work.

"I feel safe and at home here. There are lots of green spaces and vehicle-free courtyards and you get to know your neighbours," says Lena, just as a tenant knocks on the area office door.

When the "Färdighet ger möjlighet" project is launched in 2023, Lena will be the supervisor for a group of five participants who all live in Lindängen, Hermodsdal and Nydala. She will supervise the group and teach the participants how Trianon works.

"I am looking forward to working with participants who really want this. We have a really strong set of core values at Trianon, with a good atmosphere and a down-to-earth culture. I have stayed here 13 years and it has been easy because the job doesn't feel like work when you enjoy it."

Färdighet ger möjlighet

In 2023, Trianon, together with the Swedish Public Employment Service, is launching the *Färdighet ger möjlighet* (Skills provide opportunities) programme, where five tenants who are distanced from the labour market are given a three-month internship at Trianon, followed by 12 months of fixed-term employment. The work involves keeping Trianon's properties clean and tidy, both inside and out. The project is taking place in the Lindängen, Hermodsdal and Nydala areas and is aimed at unemployed people aged 18 and above.

Strong focus on energy-saving measures

The rapidly rising energy prices in 2022 have prompted Trianon to intensify its efforts to reduce energy consumption in its property portfolio. One of Trianon's sustainability goals for 2022–2024 is to reduce energy consumption by 10 percent. At the same time, efforts are ongoing to increase the proportion of renewable energy used.

Even before energy prices rocketed in 2022, the Board of Trianon had set the target of reducing energy consumption by 10 percent over a three-year period, which corresponds to a reduction in carbon dioxide emissions of 418 tCO₂e. The real estate sector accounts for a third of the total energy use in Sweden and a sixth of carbon dioxide emissions. Using less energy is thus of great importance for both the total energy consumption and for emissions of carbon dioxide and other greenhouse gases.

The targets of reduced energy consumption and an increased proportion of renewable energy are also in the framework for the sustainable hybrid bonds issued by the company (see pages 44–45). Energy savings can be made in many different ways, such as through the recycling of exhaust air, replacing windows, new district heating centres, new control and regulation equipment or new pumps. Measures designed to reduce the consumption of hot water also help to reduce energy use. The measures that are most suitable for each property is dependent on the design, year of construction and standard of the property.

Residents make an important contribution

The rising energy prices in 2022 are an issue that has engaged and concerned many of Trianon's tenants. Trianon carried out information campaigns during the year, offering tips and advice on how to reduce energy consumption. An ongoing dialogue has been maintained through employees out in the areas and through customer service. Reduced energy consumption has a positive impact for the individual tenants, as well as for Trianon as a whole.

Investing in renewable energy

In 2020, a solar energy farm covering 7,800 m² was opened in Södra Möinge, northwestern Skåne, and it supplies Trianon's properties in southern and eastern Malmö with around 2,000 MWh of renewable electricity every year. There are solar power facilities at several properties in Malmö, including in Lindängen, Hermodsdal and Sofielund, as well as on the roofs of Rosengård Centrum and Entré. In the new production project that is under construction at Sege Park in Malmö, an pre-existing older solar power facility is being used to



” Energy will be a key issue for Trianon for many years to come.

Gert Ternström, Head of Property Management.

Energy is a key issue for us and will continue to be for many years to come. This includes both cost-cutting and measures to reduce our climate impact. With the help of an external consultant, we are reviewing all our properties and trying to find intelligent solutions for reducing energy consumption.

In some areas, we have a number of properties that follow the same design, such as at Lindängen. Here, we can find common solutions and benefit from economies of scale. The picture is a bit different for our older buildings,

many of which are unique. Finding the best possible solution can sometimes require a lot of creative thinking.

We have a wide range of possible energy-saving measures at our disposal. They include everything from improving insulation or replacing windows to installing solar panels on roofs. It all depends on the conditions at the individual building.

For more information about the proportion of renewable energy and energy consumption over time, see page 29.

supply energy to the construction project. This facility will be supplemented during the course of the project with a new facility for future operations.

Risk of large rise in district heating costs

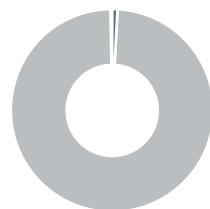
Practically all of Trianon's properties in Malmö are heated using district heating. In autumn 2022, Eon, which has a monopoly on the local market, announced a large increase in the price of district heating in Malmö. This would involve a significant rise in heating costs and Trianon has protested against this increase, together with a large number of other property owners and the Swedish Union of Tenants, as the increase is larger than can be considered reasonable given the cost situation and the market. Trianon and several property owners have also reported Eon to the Swedish Competition Authority.

Carbon dioxide emissions

Trianon's climate impact is compiled according to the accounting standard Greenhouse Gas Protocol (GHG Protocol), which divides carbon dioxide emissions into scopes.

- Scope 1 is direct emissions from self-controlled sources. For Trianon, this includes biogas for heating properties under Trianon's control, as well as fuel from service cars.
- Scope 2 is indirect emissions from purchased energy. For Trianon, this includes district heating consumption and electricity consumption under Trianon's control.
- Scope 3 is indirect emissions in addition to purchased energy over which the company has no direct control but which occur due to the company's operations. For Trianon, this includes business trips by air and by private car.

Carbon dioxide emissions 2022, tonnes of CO₂ equivalents (tCO₂e)



Scope 1 direct emissions

Biogas for heating	0.5 tCO ₂ e
Fuel from service cars	35.7 tCO ₂ e

Scope 2 indirect emissions

District heating	3,960.2 tCO ₂ e
Electricity	market-based 0 tCO ₂ e

Scope 3

Category 6 – Business travel	5.7 tCO ₂ e
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The calculation of carbon dioxide emissions from Trianon's cars is based on the annual mileage; other emissions are based on actual consumption. Emission factors for district heating come from industry organisation Swedenergy – Energiföretagen Sverige and for electricity come from the supplier's information, for cars and biogas they have been taken from the UK Government GHG Conversion Factors for Company Reporting. Emission factors for air travel come from IVL (2020) and NTM (2018).

Landmark given new facade

Running along one side of Värnhemstorget in Malmö is Häggen 13, which was built in the late 1960s. Sitting 12 storeys high, the building has become a familiar landmark in the city, but its facade was in major need of renovation. The work on this was completed in 2022 and included window replacement, additional insulation and new facade material. The original tiles have been replaced with modern cladding tiles that use a variety of patterns and structures to replicate the building's previous appearance. The tiles that were removed from the old facade have been cleaned and sold for reuse in other projects. The end result is a building that retains its appearance but has a significantly reduced noise level inside and a much improved interior climate. The annual energy saving is calculated at around 30% and more energy-saving measures are planned. The project was so successful that it was nominated for the city construction prize in 2022.



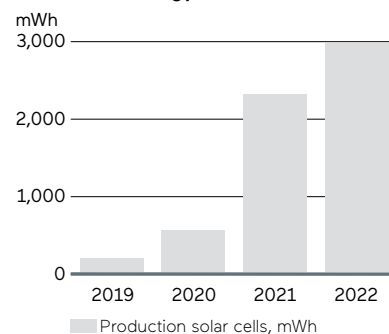
Häggen 13, Malmö.



Focus 2023

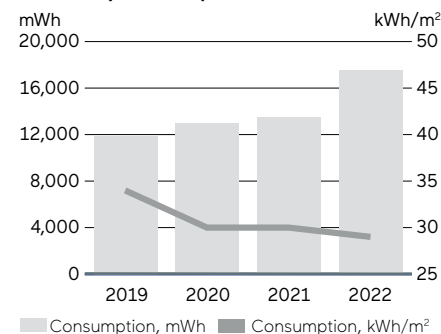
- Continued work on energy savings to achieve the target of reducing energy consumption by 10 percent during 2022–2024.
- Additional investments to increase the share of renewable energy and the use of solar cells.
- Continued dialogue with tenants to inspire energy-saving measures.

Renewable energy



Energy generated by solar cells owned by Trianon, either directly or indirectly.

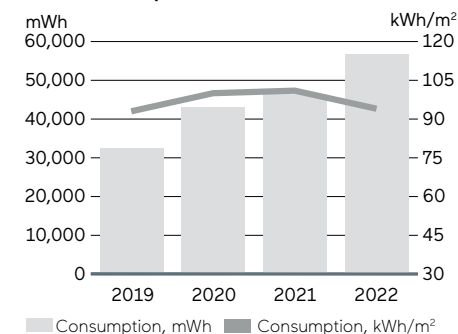
Electricity consumption



Target: Reduce energy consumption during the period 2022–2024 by 10 percent.

The electricity consumption corresponds to the property electricity. Consumption includes properties owned throughout the respective calendar year. Properties acquired or sold during a calendar year are thus excluded from that year's values. Consumption per m² is calculated on the total property area for each calendar year: 347,141 m² for 2019, 430,352 m² for 2020, 457,637 m² for 2021 and 600,400 m² for 2022.

Heat consumption



All but three of Trianon's properties are heated with district heating, the rest are heated with biogas. The heat consumption corresponds to the heating of all areas for included properties. Consumption includes properties owned throughout the respective calendar year. Properties acquired or sold during a calendar year are thus excluded from that year's values. Total consumption has increased due to more properties having been acquired. Normal year-adjusted values have been used. Consumption per m² is calculated on the properties' total Atemp¹ for each calendar year: 347,141 m² for 2019, 430,352 m² for 2020, 457,637 m² for 2021 and 600,400 m² for 2022.

¹ The total internal area for each floor, attic and cellar that is heated to more than 10°C.

Motetten 2, Malmö.

EU Taxonomy

The EU Taxonomy Regulation is a common classification system for environmentally sustainable economic activities, which aims to help investors identify and compare environmentally sustainable investments, as well as a tool for achieving the EU's climate goals and the objectives of the EU's sustainable growth strategy. Trianon's reporting consists of voluntary disclosures.

Trianon sees the need for the real estate industry's contribution in the transition to the EU's sustainable growth strategy and the goal of becoming the first climate-neutral continent by 2050.

As Trianon's property portfolio consists largely of existing buildings, the company's Board adopted a new sustainability target in 2021 of achieving energy savings of 10 percent during 2022–2024, which corresponds to a reduction in carbon dioxide emissions of 418 tCO₂e. This target will mean an increased number of investments to reduce energy consumption in the properties.

Trianon's Taxonomy alignment

The reporting requirements currently apply only to companies with more than 500 employees. The requirements mean that these companies must include in their sustainability report information on how and to what extent the company's activities are associated with taxonomy-aligned activities. Companies that are not covered can choose to report voluntarily. Trianon provides voluntary disclosures on the proportion of its operations that are taxonomy-eligible.

The activities identified by Trianon as being covered by the EU taxonomy are 7.7 Acquisition and ownership of buildings and 7.1 Construction of new buildings

Scope and reporting

In accordance with the EU Taxonomy Regulation, Trianon assesses what proportion of the company's operations are taxonomy-eligible, based on: Turnover, operating expenses (OPEX) and capital expenditure (CAPEX).

Turnover

The reporting of turnover corresponds to total rental income for the Group, see Note 4 on page 76. Rental income is attributable to the economic activity 7.7 Acquisition and ownership of buildings.

Operating expenses/OpEx

Reporting of the Group's property costs or operating expenses refers to property costs directly attributable to properties, such as ongoing management, maintenance costs and repairs.

Capital expenditure/CapEx

Reporting of investments in existing properties, including redevelopment and extensions and the construction of new buildings. Total investments comprise all the Group's investments in non-current assets, see Note 17 on page 81.

Trianon's voluntary disclosures on taxonomy-alignment can be found on pages 101–102. These disclosures are made for the first time for the 2022 financial year.

KPI	Total, SEK million	Taxonomy-eligible activities, %	Taxonomy-non- eligible activities, %	Taxonomy-aligned in 2022, %
Turnover/Rental income	688.3	100	0	8.6
OPEX	-81.9	100	0	4.5
CAPEX	593.9	100	0	0



The Liljan 12 property in Malmö.



Solar energy powering construction in Sege Park

In Sege Park, a building contractor is constructing 65 rental apartments for Trianon, largely using energy generated by an old solar power facility that has been recommissioned. Almost all of the construction project's energy needs are met by the solar power facility, which will be joined by a new facility once the roof is completed. The new solar power facility and storage tanks will generate energy for many years to come. This is an example of Trianon reusing existing technology and combining it with modern alternatives.

ACQUIRE AND OWN

Fewer acquisitions but all business opportunities evaluated



Following an acquisition-intensive 2021, things were a little quieter in 2022. An uncertain business environment in 2022 has transformed the entire transaction market and Trianon has found that sellers have high expectations in terms of pricing. Trianon nevertheless continues to evaluate all business opportunities and is ready to make acquisitions that will help to increase the average yield in the portfolio.

Trianon began 2022 with the intention of continuing its active acquisition strategy of 2021. Increasing uncertainty in the market in 2022 has led to a considerable difference between the expectations of sellers and what buyers are willing to pay. Rising costs in terms of interest and energy are adding to the uncertainty brought about by the war in Ukraine.

One acquisition was made in 2022, in the form of the acquisition of the remaining 50 percent of the Svedala 8:16 property in Svedala. Trianon already handled the management of the property and has now taken over complete ownership. The property contains a grocery store and six apartments.

All business opportunities that arise in the region are evaluated and analysed, but in 2022 fewer acquisitions were identified that met the criteria of Trianon's acquisition strategy.

Acquisitions in the Malmö region

Trianon focuses on Malmö and its environs, where the organisation and infrastructure are already in place, which reduces overheads when making new acquisitions. Large-scale acquisitions in new

areas often require the establishment of a local management organisation, which can be both costly and time-consuming.

As well as having an attractive geographical location, the properties acquired must also be a good fit for the rest of Trianon's portfolio and have a development potential that provides scope for value-creating improvements. The acquisition's ability to contribute to an increased yield in Trianon's portfolio is also a key consideration.

Sale of project properties

Trianon has a target of achieving an investment profit from the project portfolio of SEK 100 million per year. In 2022, the Kv Hanna project property in Burlöv was sold to Burlöv Center Fastighets AB, which is a joint venture with Wallfast. In total, the project contains 111 apartments as well as premises, with a gross total area of 16,600 m².

In July, an agreement was signed to sell 391 homes for young people at Norra Sorgenfri in Malmö. The buyer is Willhem, at an agreed property value of SEK 822 million. The investment profit will be recognised in Trianon's profit and loss over the course of the project on the basis

of costs paid, which will have a positive impact on Trianon's investment profit target. Construction begins in early 2023.

In October and December, Trianon and Wallfast sold building rights in Burlöv to Tornet and Riksbyggen. The agreed property values were SEK 45 million and SEK 27 million respectively and possession of the area will be transferred during 2023. These sales create greater opportunities for growth in the central areas of Burlöv.

Strategy for 2023

Trianon continues to evaluate all business opportunities and is ready to make acquisitions when the right property comes onto the market at the right price. Historically, the company has approached acquisitions in its own way and seen opportunities where others have seen problems, as was the case, for example, with Entré and Rosengård Centrum in Malmö. Work continues in 2023 to identify attractive acquisitions that are aligned with the company's core values – commitment, innovation and courage.

Principles for Trianon's acquisitions

- The acquisition shall fit in with Trianon's business model of owning, managing, developing and building properties in Malmö and its environs.
- The acquisition shall contribute to an increased average yield in the portfolio.
- The property shall have the correct geographical location in relation to Trianon's other holdings.
- The property shall have development potential – to enable Trianon to make value-creating investments, for example.

There must nevertheless always be scope to make acquisitions outside these parameters if the deal is so attractive and has such great potential that it is impossible to resist.

For acquisitions in the surrounding municipalities:

- The property shall be located in a municipality with growth, ideally be located near a station and be large enough to take advantage of synergies with Trianon's management.

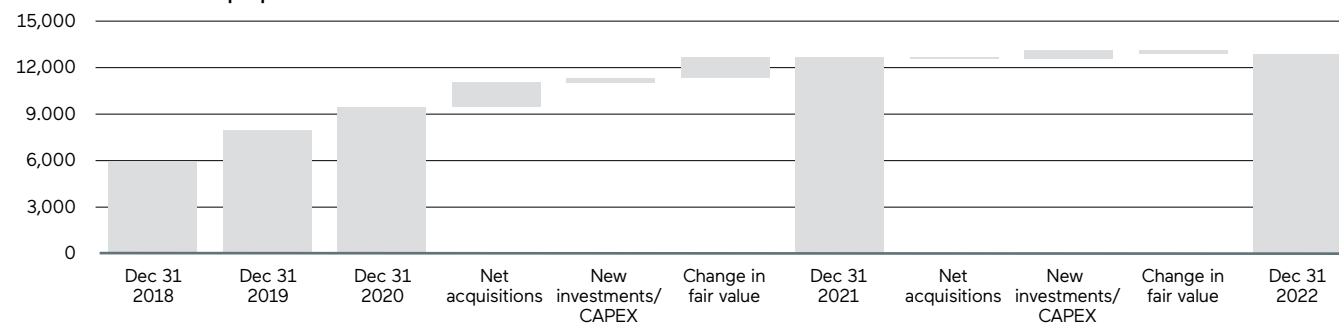
ACQUIRE AND OWN

Property overview	Fair value, SEK million	Number of properties	Fair value/m ² , SEK	Residential area, %	Public sector/ community area, %	Commercial area, %	Other, %
Malmö, City	4,159	37	27,809	45	19	27	10
Malmö, West	2,381	26	42,977	64	4	32	0
Malmö, South and East	4,490	34	24,170	90	7	2	1
Southern Skåne excluding Malmö	700	17	14,823	86	4	7	3
Northern Skåne	798	34	19,063	83	17	0	0
North of Skåne	334	6	29,903	53	47	0	0
Total	12,863	154	26,197	72	12	13	3

Trianon's acquisitions in 2022	Number of properties	m ²	Apartments	Value	Information
Svedala 8:16	1	3,405	7	39	Acquisition of 50%

Trianon's divestments in 2022	Number of properties	m ²	Apartments	Value, SEK million	Buyer
Building rights, Burlöv	–	12,500	–	45	Tornet
Kv Hanna, Burlöv	2	16,600 GTA	111		Burlöv Center Fastighets AB
Housing for young people, Malmö	2		391	822	Willhem
Building rights, Burlöv	–	6,700	–	27	Riksbyggen

Fair value investment properties



The fair value of investment properties increased from SEK 12,666 million on 31 December 2021 to SEK 12,863 million on 31 December 2022, mainly through investments in new production and redevelopments at a value of SEK 555 million and value changes of SEK -235 million. Trianon's property portfolio is valued by independent external valuation companies. For further information, please see Note 17 on pages 81–82.



” We are keen to acquire properties that have an attractive geographical location, fit in well with the rest of our portfolio and have potential for value-creating improvements.

Jonas Karlsryd, Head of Transactions.

LET AND MANAGE

Strong demand for housing and public sector/community services premises



Demand for housing remains very high in the areas where Trianon operates, while there has been something of a slowdown for retail premises. Trianon is addressing this with an aggressive and innovative letting strategy and has sharpened its focus on premises for public sector/community services, which often have long-term contracts.

The market for rental premises in Malmö remains extremely healthy and Trianon has around 100–150 applicants for every apartment that becomes vacant. Demand is particularly high for apartments with reasonable rents and a slight slowdown in demand has been observed for newly built apartments where the rents are somewhat higher. Trianon has a generous rental policy that enables a wider target group with lower incomes to find homes.

It is thought that Malmö and its environs will continue to be an attractive place to live for many years to come. Despite large-scale new production in recent years, the demand for rental apartments will remain high. Demand for tenant-owner homes fell significantly during 2022, however, and this is reflected in price changes. Waning interest in tenant-owner homes as a form of housing may result in a further increase in demand for Trianon's rental apartments.

Increased focus on public sector/community services

Demand for office premises remains stable and at the end of the year, Trianon had only a few vacancies. Economic turmoil in the outside world

has slowed decision-making processes somewhat, but premises that become vacant are being leased again at the same rent levels. New working methods and remote working as a result of the pandemic may affect the type of office that is in demand, but relatively few adjustments are needed to office premises for incoming tenants.

Both retail spaces and offices can be converted to premises for public sector/community services, such as healthcare centres or other socially important activities. This may require more extensive changes to the premises than a simple change of office tenant, but in return normally means longer contracts with tenants that have stable finances. The number of premises being leased for public sector/community services in Trianon's portfolio is increasing. Major contracts signed in 2022 are shown in the table on page 35.

Declining interest in retail

A clear fall in demand for retail premises was observed in 2022. This is a result of the uncertainty arising as a consequence of the war in Ukraine, rising interest rates and increasing costs for energy, raw materials etc. Trianon is addressing this by employing a highly active and entrepre-

neurial letting strategy, where potential tenants are contacted proactively as their concept could add more value to the retail site.

All the spaces in the partly owned Rosengård Centrum have been let and there are several businesses on the waiting list to set up shop there. The property has been redesigned in recent years so that the previously very deep and hard-to-operate retail premises have been made smaller and the areas behind them leased to other businesses. This creates a shopping centre that is just as vibrant as before, but with better conditions for the store owners and greater revenue for Trianon.

The occupancy rate in the partly owned Burlöv Center was 44 percent when Trianon acquired the property at the end of 2020. Since then, the occupancy rate has increased to 70 percent and 2022 saw the opening of Willys, joined in 2023 by Team Sportia and Cykelgiganten.

The conversion of Entré continues from being purely a shopping centre to a property with public sector/community services, entertainment centre, restaurants and local retailers. See separate fact box.



Focus in 2023

- Continued aggressive strategy for letting operations, where potential tenants for commercial premises are actively sought out.
- Continued renovation of apartments in line with the Trianon model when a tenant moves out.
- Completion of the Entré properties with a focus on public sector/community services, offices and retail.

SEK 21.5 million

Net letting 2022

Aggressive strategy

Vacant residential properties and office premises are marketed through digital channels, while the declining retail market requires a more aggressive strategy. Trianon conducts an outreach operation, which includes contacting local businesses whose existing concepts could complement the range in Trianon's properties. These could be cafes or

other businesses that provide added value to the existing offering. Trianon's rental policy is characterised by the company's core values of commitment, innovation and courage. This means quickly and flexibly finding a common platform together with the potential tenant in order to find a solution that benefits both parties.

Major contracts signed in 2022 with commercial tenants

Property name	Tenant	Type of property	Length, years	m²
Burlöv Center	Cykel & Sport i Burlöv AB	Commercial property	7	1,041
Kv. Hanna	Region Skåne	Public sector/ community property	15	844
Entré	Extremezone AB	Commercial property	6.5	798
Entré	Evidia Sverige AB	Commercial property	10	766
Burlöv Center	KappAhl Sverige AB	Commercial property	3	717
Sandsjön 2	Förskolan Telningen ekonomisk förening	Public sector/ community property	5	709
Spiralen 10	Stiftelsen Skåne Stadsmission	Commercial property	2	602
Rosengård Center	Vital Hälsa 365 AB	Commercial property	7	587
Entré	Oranos Clinic	Commercial property	10	500
Vipan 9	Friskvårdssykiatrin Skåne AB	Commercial property	5	480
Burlöv Center	Amart Triangeln AB	Commercial property	5	390
				7,434



Entré – from failed shopping centre to profitable property

Quite a few eyebrows were raised when Trianon acquired the Entré shopping centre in Malmö. Despite enjoying a seemingly perfect location on the northern route into Malmö, Entré had been a problem child for quite a long time – with empty premises, echoing corridors and a tarnished reputation. Where others failed to see the potential, Trianon took an innovative approach and acquired the property in 2017. At that time, just under half of the space (48 percent) was let and tenants were leaving in droves.

Five years later, the property is 98 percent contracted and work is continuing to create a property where retail, public sector/com-

munity services, offices, restaurants and entertainment sit side-by-side, close to residential areas. Converting retail space to offices and public sector/community services has given the property new life and in 2022, new contracts were signed with tenants including Malmö stad's Upper Secondary and Adult Education Administration, the National Government Service Centre and an X-ray clinic. The surrounding green spaces and squares are being planned together with Malmö stad to make the area an attractive place to live and the dead end that Entré once was has been reinvigorated.

DEVELOP

Continued value-creating renovations and major focus on energy efficiency



In 2022, value-creating work to renovate apartments when there is a change of tenant continued. Energy has been a key issue during the year and there has been a major focus on work to improve the energy efficiency of the portfolio.

Trianon aims to renovate 200 apartments per year. In 2022, 151 (186) apartments were renovated. The lower renovation rate is mainly due to a slight slowdown in tenant turnover. The renovation potential in Trianon's property portfolio is large and amounts to 62 percent (68).

The Trianon model

Trianon pursues a renovation strategy that is based on updating those apartments that are in need of renovation primarily when there is a change of tenant. This is in order to have the minimum impact on other tenants, but is also for cost reasons. Apartments are usually renovated according to the Trianon model, which involves comprehensive refurbishment. Kitchens and bathrooms are replaced, all surfaces are renewed and the appliances are replaced.

Materials are selected with consideration for maintaining a good standard in the apartment, while also keeping the rent for the incoming tenant at a reasonable level. Using a standardised model saves both resources and costs. The work is easier to plan, purchases can be made in larger volumes and trusted materials can be used. The Trianon model is used in those parts of the property portfolio where the layout and standards are similar for many apartments. In apartments that have unique conditions, because of their age or design for example, renovations are made using a

checklist that has been agreed between the Swedish Union of Tenants and the industry association Fastighetsägarna.

Commercial properties are also renovated according to their conditions. In some cases, former office properties are converted for use as public sector/community properties. On example is the Hyllie 9:5 property in Malmö, where former offices have been converted to house a preschool, health centre, folk high school and other socially important activities.

Increasing costs

Global uncertainty has led to both increasing material costs and rising interest rates. In 2022, contractual negotiations with suppliers focused on ensuring that costs were affected as little as possible.

Rising costs mean that 2023 will be a year when the focus is on improving standards when there is a change of tenant in order to provide increased rental income. On the other hand, a significant proportion of planned maintenance will be postponed, as the cost situation discourages major investments. Trianon's philosophy for ongoing maintenance is to follow the technical lifespan of each individual property. Maintenance is carried out when it is needed rather than at specific intervals. Where possible, Trianon seeks to combine maintenance with other value-creating activities, such as installing solar panels when renovating a roof.

Trianon has good, close relationships with its contractors, which are often small operators who have been working with Trianon for a long time. These established relationships are a source of strength in a turbulent world, as there is a mutual interest in finding long-term, stable solutions that benefit all parties.

Integration of Signatur Fastigheter

In 2022, the large-scale task of integrating the properties acquired from Signatur Fastigheter in 2021 continued. For Trianon, this involves the property management organisation examining and evaluating the properties and their renovation needs. Some of Signatur Fastigheter's employees have chosen to leave their jobs following the acquisition, which has required a partially new property management organisation to be established.

Focus on energy efficiency

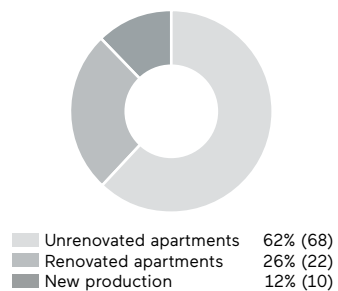
Energy became a key issue for society in 2022 and there has therefore been a major focus on investigating the possibilities for improving the energy efficiency of the portfolio. Trianon's goal is to save 10 percent of energy consumption during 2022–2024, which corresponds to a saving of SEK 6 million per year. Read more about this work on pages 27–29.



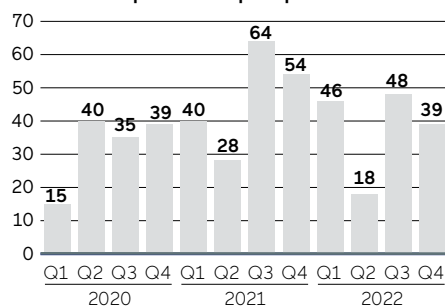
Focus for 2023

The target remains to renovate 200 apartments per year. In addition, there is a major focus on measures to improve the energy efficiency of the portfolio, such as heat recovery and the installation of heat pumps and solar panels. Planned maintenance that is not of a technical necessity in 2023 will be postponed until the situation improves in terms of material and contractor costs.

The potential of the apartment stock



Renovated apartments per quarter



The renovation of apartments is carried out in connection with turnover and the target is to renovate 200 apartments per year. In 2022, 151 apartments were renovated. Lower turnover in the unrenovated portfolio meant that the renovation target for the year was not achieved.



The Gunghästen 1 property in Malmö.

BUILD

New production continues in an uncertain economic climate



Despite the rapid decline in the construction sector in 2022, Trianon is continuing with the projects it has begun in attractive locations in Malmö and its environs. Demand for housing in Malmö remains high and new production is expected to add long-term value to the company.

There are 100–150 applicants for every apartment that becomes vacant in Trianon's portfolio. This indicates that the residential market in Malmö and its environs still has great potential and that demand will not slow over the coming years. According to forecasts¹ Malmö's population will grow by more than 150,000 inhabitants over the next 25 years.

One of the cornerstones of Trianon's strategy for the future property portfolio is to complement new acquisitions with the production of new homes. In 2022, production was under way on 700 apartments, carried out by the company itself or in the form of joint ventures with other property owners. In total, Trianon's power project portfolio contained 600 apartments with zoning plan approval at the end of 2022.

Focus on Malmö and its environs

All of the projects under construction are located in Malmö and its environs. In Sege Park, 65 rental properties and 11 tenant-owner homes are being constructed in a leafy and attractive park environment, with a great emphasis on sustainable solutions in the form of diverse models for the sharing economy. Tenants are expected to move into the rental properties during the second half of 2023.

At Norra Sorgenfri, Trianon has initiated the construction of 391 homes for young people. In 2022, the sale of this project to Willhem was

concluded. In Hyllie in southern Malmö, 73 apartments are being built at Kvarteret Badmössan in an attractive location close to the station, shopping centre, arenas and restaurants. Tenants are expected to move in towards the end of 2023.

In Burlöv, north of Malmö, Trianon owns a large urban development project together with Wallfast. This is right next to Kvarteret Hanna, which has 111 apartments and commercial premises. In 2022, Trianon sold the Kvarteret Hanna project to Burlöv Center Fastighets AB, which Trianon co-owns with Wallfast. This sale means that all projects and properties in the Municipality of Burlöv are now jointly owned with Wallfast.

Trianon has purchased a new production project in the centre of Svedala from Wästbygg, which has constructed 53 rental apartments with tenants expected to move in during spring 2023.

Uncertainty regarding investment support

In recent years, Trianon has primarily built new homes with the help of the government investment support that was provided during the period 2017–2021. In total, Trianon built 393 apartments using investment support – all of them in Malmö and its environs. Before the investment support was abolished at the end of 2021, Trianon submitted an application for a further three projects with a total of 194 rental properties. By the end of 2022, a decision had still not been made on the approval of support for Trianon for these projects.

Design of Limhamn silos

In Limhamn in south-west Malmö, traces are still visible of almost a century of cement production. Three large silos and three small silos still remain in a prime harbour location and they serve as a reminder of the glory days of the industry. Trianon owns the properties together with Lernacken Fastigheter and in 2022 worked closely with Malmö stad to hold an architectural competition for the future design of the area. As many as 68 architect firms registered for the competition and four were selected to take part. In February 2023, the jury named Habitat as the winning proposal, one which will now go through the planning process and in the future can provide new homes in an attractive harbour-side urban environment.



¹ Source: Malmö stad population forecast 2020–2030.
<https://malmo.se/Aktuellt/Artiklar-Malmo-stad/2020-06-18-Ny-befolkningsprognos-for-ar-2020-2030.html>

Project portfolio

Project properties	Number of apartments	Gross total area, m²	Living area/ Area of premises m²	Estimated investment, SEK million	Accrued expenses, SEK million	Estimated rental value, SEK million	Expected construction start	Expected completion
Projects involving existing properties								
Entré – Rolf 6 ¹	0	11,900	7,100	245	240	17	2021	2022
Total projects involving existing properties	0	11,900	7,100	245	240	17		
Projects with valid zoning plan								
Badmössan 1, Hyllie (premises and rental properties)	73	5,450	4,200	150	102	8	2021	2023
Centralköket 1, Sege Park (rental properties)	65	4,850	3,750	122	88	6	2021	2023
Svedala 1:87 (rental properties)	53	4,700	3,700	112	0	6	2021	2023
Norra Sorgenfri, phase 1 and phase 2 ²	391	22,200	16,650	726	78	37	2022	2026
Centralköket 1, Sege Park (tenant-owner homes)	11	1,600	1,300	49	8	0	2023	2025
Fjällrutan 1 (tenant-owner homes)	12	1,050	900	35	1	0	2023	2025
Total projects with valid zoning plans	605	39,850	30,500	1,194	278	57		
Projects subject to zoning plans								
Björnen 6, Skurup	50	4,500			1		2023	2025
Svedala 25:18	143	10,000			2		2023	2025
Svedala 22:8	41	4,100			2		2023	2025
Östergård 3, Skurup	65	4,200			1		2023	2025
Husie 172:75, Malmö	60	9,000			2		2023	2025
Mjölkboden 4, Stockholm	36	3,999			3		2024	2026
Vallhunden 8, Stockholm	28	2,670			1		2024	2026
Spiralen 10, Malmö	123	17,000			1		2025	
Total projects subject to zoning plans	546	55,469	0	0	12	0		
Total project portfolio	1,151	107,219	37,600	1,439	529	74		
Future potential zoning plans								
Alven 26, Malmö	28	2,670			1		2024	2026
Bunkeflostrand 155:3								

¹ Office in accordance with zoning plan. Redevelopment of existing building.² Norra Sorgenfri, Phases 1 and 2 sold, with possession when the property is completed.

Focus for 2023

In 2023, Trianon is continuing its active work on the project portfolio. The current global economic situation involves both threats and opportunities and Trianon is monitoring developments closely. The aim is to have a project portfolio with a good risk spread, projects in attractive locations and a focus on residential properties.

Joint ventures – shared risk and increased capacity

Trianon works with several other operators on the real estate market through various joint ventures. Currently, there are joint ventures for development projects in Rosengård Centrum, Burlöv Center and the planned Limhamn silos project.

Trianon currently has three active joint ventures, both for existing properties and for future projects.

The advantage of a joint venture is that the participants share the risk and at the same time are able to support the project with different types of skills and experience. This kind of partnership can create more value than if the companies were to act individually. Below are some of Trianon's current joint venture projects.

Rosengård Centrum

In 2021, Trianon sold 50 percent of Rosengård Centrum to Fastighets AB Hemmaplan, which is owned by Bonnier Fastigheter and Brunswick Real Estate. Together, these parties will further develop Rosengård Centrum as part of a major urban development project with new public sector/community services and new homes, while also

increasing the social sustainability of the area.

Trianon's strong local knowledge and long-term social engagement in Malmö provides a key contribution to this work.

Burlöv Center

Another significant joint venture is Burlöv Center, where Trianon owns a major urban development project together with Wallfast. In October 2022, Trianon sold the Kv Hanna project with 111 apartments and commercial premises to Burlöv Center Fastigheter AB, which Trianon owns together with Wallfast. This sale increases the opportunities for working with Wallfast to develop the area around the future Burlöv Central station, which occupies a very attractive location in the Malmö-Lund region. By 2023, there will already be trains every ten minutes to Malmö and Lund, with journey

times of only 5 minutes and 7 minutes respectively.

Limhamn silos

Near the old ferry terminal at Limhamn are three tall silos, a remnant of the time when the site was an important part of the Swedish cement production industry. New construction is being planned here, with residential properties and commercial premises for retail and services. The project is a joint venture between Trianon and Lernacken Fastigheter AB and in 2022 an architectural competition was held for the design of the new area. In February 2023, the jury named Habitat as the winning proposal, one which will now go through the planning process and in the future can provide new homes in an attractive harbour-side urban environment.



The Landshövdingen 1 property, Rosengård Centrum, Malmö.

Joint venture	Number of apartments	Gross total area, m ²	Living area/Area of premises m ²	Estimated investment, SEK million	Accrued expenses, SEK million	Estimated rental value, SEK million	Expected construction start	Expected completion
Rosengårdsbiblioteket	0	2,000		75	74	6	2020	2022
Kvarteret Hanna, Burlöv (premises, rental properties and tenant-owner homes)	111	16,600	11,500	463	130	18	2022	2024
Rosengård Centrum, phase 1 South	54	5,400			3		2022	2024
Tågarp 15:4, phase 1 (Burlöv Center)	525	48,000			15		2022	2025
Rosengård Centrum, phase 1 North	75	7,000			3		2023	2025
Bojen 1 and Fendern 1 (Silos at Limhamn)	70	15,000			0		2024	2027
Tågarp 15:4, phase 2 (Burlöv Center)	910	85,000			2			
Total	1,745	179,000	11,500	538	226	24		

Future potential zoning plans

Rosengård Centrum, phases 2 and 3
Smedjan 2, Malmö



Rosengårdsbiblioteket, an oasis for meeting and learning

In Rosengård Centrum, Trianon and Fastighets AB Hemmaplan completed a brand-new 2,000 m² library at the end of 2022, which is twice as large and three times as high as its predecessor. Rosengårdsbiblioteket is the most-visited district library and has an entire floor for children and young people, as well as places for meeting, study and activities to promote reading. The third floor has more flexible space, which is easily adapted for language cafes and other activities, for example. A large roof terrace provides extensive views for dreamers and philosophers alike.

Greater proportion of sustainable financing

A diversified property portfolio with strong cash flows and a high proportion of residential and public sector/community service properties ensures that Trianon has good access to capital. Operations are financed using equity, hybrid capital and external borrowing. In 2022, Trianon continued to increase the proportion of sustainable financing.

There is increasing interest in sustainable financing among both lenders and real estate companies, and Trianon developed a framework for sustainable financing in 2019. In 2022, new frameworks were developed in order to reflect the increased interest in social and green assets within the real estate sector. Having previously covered only bonds, now all debt instruments can be included in the platform, which has been prepared in accordance with Sustainability Bond Guidelines (developed by ICMA) as well as Green Loan Principles and Social Loan Principles (developed by LMA). An independent third party, ISS ESG, has performed an external review of the framework.

Sustainable hybrid bonds

In 2022, new subordinated sustainable bonds were issued for SEK 500 million and are listed on the Nasdaq Stockholm Sustainable Bond List. These bonds are perpetual, with a variable interest rate of STIBOR 3-month + 7.00 percent. The hybrid bond is recognised as equity after the deduction of transaction costs.

In connection with the issue of the new bonds, a buyback offer was made to the holders of the

subordinated sustainable bonds that Trianon issued in 2019. This offer was accepted by bondholders corresponding to a total nominal amount of SEK 402 million out of the SEK 500 million that was issued in total.

The issue proceeds from the hybrid bonds are used in accordance with Trianon's sustainable frameworks, with a focus on social and environmental sustainability. A separate report on the use of the issue proceeds from the bond loan issued in 2019 was published in May 2022 and is available on Trianon's website.

Sustainable bank financing

Trianon further enhanced its sustainability work in 2022 and took out a sustainability-linked loan for SEK 1.9 billion with Handelsbanken to refinance existing loans. The loan, which is linked to social and environmental targets, aims to create a more inclusive housing market, increase security and reduce climate impact, as well as provide a lower interest rate if the company achieves its targets. This loan enhances Trianon's already ambitious sustainability work with a particular focus on social sustainability.

The sustainability-linked loan matures in three and six years respectively and therefore has an extended debt maturity period of over three years.

Finance policy

Trianon's finance policy aims to ensure that the company's expansion target and profitability target can be achieved with a satisfactory level of risk. It is adopted by the Board of Directors and is reviewed at least annually. Trianon's risks mainly comprise liquidity risk, refinancing risk and interest rate risk. For a description of these, please see Note 3 on pages 74–76.

Liabilities

Consolidated interest-bearing liabilities amounted to SEK 7,107.4 million (6,866.5) at the end of the period, including bond loans of SEK 398.8 million (496.8). Bank overdraft facilities granted amounted to SEK 35 million (35) of which SEK 0.0 million (0.0) was utilised. The debt portfolio has increased due to investments in new construction projects, investments in existing properties and new borrowing on the acquisition of properties.



” The enhanced framework for sustainable financing gives us even greater opportunities to make long-term environmental, social and sustainable investments that lead to continued positive social development and the fulfilment of several of the Sustainable Development Goals.

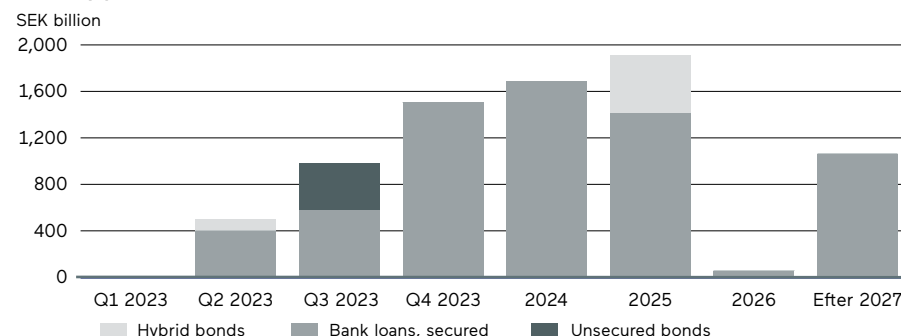
Mari-Louise Hedbys, CFO and Deputy CEO.

Finance policy

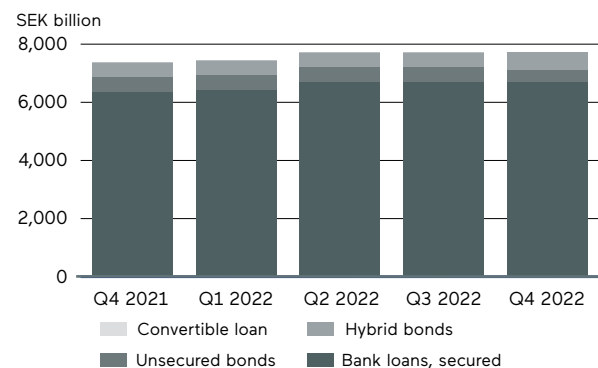
	Target	Result 2022	Result 2021
Fixed interest period, year ¹	2–4	0.5	2.7
Capital tied up, year	2	3.2	2.1

¹ The fixed interest period is affected by both the share of interest rate swaps and the share of loans with fixed interest rates, which amounted to 9 percent at the end of the year.

Maturity profile, loan



Allocation of funding



Of total interest-bearing liabilities of SEK 7,107.4 million (6,866.5), 94 percent were secured against mortgage deeds and 6 percent were unsecured. Convertible loans to personnel were converted or fully paid at the end of the financial year and amounted to SEK 0.0 million (11.4) at the end of the period.

Average interest rate and fixed interest rate

Trianon restructured the derivatives portfolio during spring 2022 by increasing swap volumes to SEK 2,950 million and shortening the term to three years. When the market situation changed and short-term swap rates exceeded long-term rates, all swaps were realised during the third quarter to then begin building up the long-term swap portfolio anew. The realised swap portfolio had a positive overall effect on cash flow of SEK 142.7 million and on the loan-to-value ratio of approximately 1 percentage point. Of total interest-bearing liabilities, 91 percent (69) have variable interest rates and 9 percent (31) fixed interest rates. Traditional interest rate swaps are used to reduce interest rate risk in accordance with Trianon's finance policy. At the end of the period, SEK 200 million (2,320) was hedged through interest rate swaps. The company entered into a swaption for SEK 1.0 billion at an interest rate of 2.5 percent beginning in November 2024, which is not included in the calculation of the fixed-interest period. The hedge ratio amounted to 17 percent (34) of total liabilities to credit institutions. The average fixed interest period was approximately 0.5 years (2.7) at the end of the period. The target under Trianon's finance policy is that the Group's fixed-interest term should be between two and four years.

The average interest rate during the period was

2.2 percent (1.9) including swap rates and 2.0 percent (1.4) excluding swap rates. The loan-to-value ratio was 54.6 percent (53.5) compared with the financial target of not exceeding a loan-to-value ratio of 60 percent.

Equity

Equity amounted to SEK 5,372.9 million (5,243.9), of which SEK 5,372.9 million (5,217.3) was attributable to shareholders in the Parent. Equity attributable to the Parent's shareholders increased by the year's comprehensive income of SEK 171.4 million (1,305.0) and the new share issue after transaction costs of SEK 9.8 million (446.9) and decreased by a dividend to Trianon's shareholders of SEK 78.5 million (67.4). Dividends linked to the hybrid bond have reduced equity by SEK 39.8 million (35.3). Equity per share after deductions for equity attributable to hybrid bonds amounted to SEK 31.14 (30.60) per share and including equity attributable to hybrid bonds to SEK 34.11 (33.23) per share. The equity/assets ratio was 38.9 percent (38.6) at the end of the period.

Covenants

In framework agreements with the Group's financing banks, Trianon has undertaken to comply with the following covenants: the loan-to-value ratio shall not exceed 60 percent, the interest coverage ratio shall not be less than 1.5 times or 1.75 times and the equity/assets ratio shall not be less than 30 percent. All covenants have been met both during the current and previous financial years. For further information, please see Note 3 on page 75. Bond loans of SEK 400 million and a sustainable financing framework of SEK 1.9 billion contain an ownership change clause if control over the Group changes.

Sustainable frameworks

Trianon has two sustainable hybrid bonds, one of which was issued in 2019 and the other in 2022. The purpose of these is to provide the company with greater opportunities to make social and environmental investments in southern and eastern Malmö. The results of these investments are reported annually. Below is a summary of the results for the sustainable hybrid bond issued in 2022. More information about Trianon's framework for sustainable investments can be found on the company's website.

How the proceeds are used

An amount corresponding to the net proceeds from Trianon's sustainable financing instruments will be used to finance or refinance, in whole or in part, complete eligible assets and activities that provide clear environmental benefits (green eligible assets) and/or social benefits (social eligible assets). The look-back period applies to the proceeds and is limited to two years. The company will continually use its professional judgement and its expertise in sustainability when identifying relevant eligible assets and activities.

Reporting

To be completely transparent with investors and other stakeholders, Trianon commits to annual reporting, provided that the company has sustainable financing instruments outstanding. Information about the allocation of the proceeds will be renewed annually, until these have been allocated in their entirety, and well in advance of any significant developments. The report will be made available on Trianon's website www.trianon.se and will cover some of the following areas:

Reporting on the allocation of proceeds

- The total amount for instruments issued for sustainable financing.
- The proportion of the proceeds used for financing/refinancing and the proportion of the proceeds used for the categories described in Section 2.
- Proportion of unallocated proceeds (where applicable).
- List of buildings financed using sustainable financing, unless this is confidential.

Reporting of impact

Trianon intends to report quantitative impact indicators where relevant information is available for the main categories on the right-hand side of this page.



Green and energy-efficient buildings

Category I – New buildings and major renovations¹

- New buildings that either fulfil or aim to fulfil the requirements² of Miljöbyggnad Silver or equivalent standard from a certification scheme, or
- New buildings with energy consumption that is at least 20% below that of the applicable national building regulation³, or
- New buildings with an Energy Performance Certificate (EPC) class A or B, or
- Major renovations that lead to a reduction of primary energy demand of at least 30%.

Category II – Existing buildings

- Buildings that fulfil the requirements of i., ii. or iii. in Category I, or
- Buildings within the top 15% of the national building stock expressed as primary energy demand or based on EPC levels according to available independent studies.

SDGs



Relevant
environmental
objectives
aligned
with the EU
Taxonomy

Climate change
mitigation



Investments in energy efficiency

Energy renovations, such as the installation of solar panels, heat pumps, improvements to ventilation systems, expansion of district heating and district cooling systems, improvements and introduction of control systems and infrastructure for electric or hybrid vehicles.



Climate change
mitigation



Affordable housing

New and existing buildings with rental apartments with regulated rent. The rent is negotiated annually between the property owner and the Swedish Union of Tenants on the basis of utility value. Eligible assets will be located in "vulnerable areas", "particularly vulnerable areas" and "risk areas", as determined by the Swedish police. Trianon is implementing social initiatives to increase security in these areas; for more information see Section 1. Target group: residents of a vulnerable area, a particularly vulnerable area or a risk area, according to the mapping of the Swedish police⁴.



¹ New buildings are defined as buildings constructed after 31 December 2020 and existing buildings are defined as buildings constructed before 31 December 2020, in line with the current definition in the EU Taxonomy.

² Buildings that aim to obtain environmental certification within 24 months of the bond issue.

³ Building standard that applies at the time of construction.

⁴ The Swedish Police Map of Sweden.

Green eligible assets



The real estate sector accounts for a third of the total energy use in Sweden and a sixth of carbon dioxide emissions.

Investments in green and energy-efficient buildings therefore play a key role in the energy transition. This is further confirmed by the major focus of the European Commission on a building's energy efficiency, which is a targeted measure in many of the Commission's strategies, such as the EU Taxonomy. Trianon defines Green Eligible Assets according to the table on the right for green and energy-efficient buildings.


Social eligible assets

Social eligible assets are those which directly aim to highlight or address a specific social issue and/or strive to achieve positive social results, particularly, but not exclusively, for one or more target groups. Trianon defines social eligible assets according to table on the right for affordable housing.

Green eligible assets

	Indicator
 Green and energy-efficient buildings	<ul style="list-style-type: none"> • Energy consumption (in MWh and/ or kWh/m²). • Estimated annual greenhouse gas emissions reduced or avoided (tCO₂e). • Energy certificate class, where one exists. • Type of certification and level (e.g. Miljöbyggnad Silver).
 Energy efficiency	<ul style="list-style-type: none"> • Energy saved per m². • Estimated annual greenhouse gas emissions reduced or avoided (tCO₂e).

Social eligible assets

	Indicator
 Affordable housing	<ul style="list-style-type: none"> • Total number of buildings and rental properties in "vulnerable areas", "particularly vulnerable areas" and "risk areas". • CSI: Tenant survey to measure the attractiveness and perceived safety of our residential areas. • Other qualitative parameters that show the company is providing functional, safe and healthy premises in society.

Sustainability loan will provide environmental and social benefits

In 2022, Trianon enhanced its sustainability work by taking out a sustainability-linked loan for SEK 1.9 billion with Handelsbanken. The loan refinances existing loans and is linked to social and environmental targets which aim to create a more inclusive housing market, increase security and reduce climate impact. If Trianon achieves its targets, Handelsbanken applies a lower interest rate to the loan. The four targets are:

- 1. Inclusive housing market:** make a greater number of apartments available to households that have difficulty entering the ordinary housing market, such as low-income households, households on welfare support, the homeless and socio-economically vulnerable households.
- 2. Safer residential areas:** physical and social investments in Trianon's residential areas of Lindängen and Hermodsäl in southern Malmö.
- 3. Reduced energy use:** reduce climate impact and increase profitability by investing in energy-saving measures.
- 4. Increased self-generation of renewable energy:** increase the proportion of self-generated renewable energy in the existing property portfolio by investing in solar panels or other renewable energy sources.

Shares

The year 2022 was a volatile one for the stock markets and was mainly affected by concerns about inflation and the war in Ukraine. The Stockholm Stock Exchange fell overall by 25 percent and the Stockholm Real Estate index by 45 percent.

The Trianon share was listed on Nasdaq Stockholm's main market on 17 December 2020, following a list change from First North Premier Growth Market where the company has been listed since 21 June 2017.

The Trianon share is traded in the Mid Cap segment with the short name (TRIAN B) and ISIN code (SE0018013658).

The share price fell by 65 percent (+74) in 2022. Total turnover of Trianon's class B shares in 2022 was 15 million shares, which represents average turnover of 60,165 shares per trading day. The highest share price in 2022 was recorded on 4 January at SEK 64.75 and the lowest on 19 October at SEK 17.00.

The total return for the Trianon share during the year was minus 64.5 percent. For comparison, the OMX Stockholm Gross Index (GI) fell by 22 percent.

Share capital

As at 31 December 2022, there were a total of 157,505,957 shares (37,465,500) in the company, of which 6,084,472 class A shares (1,521,118) and 151,421,485 class B shares (35,944,382). The shares are denominated in SEK and each share has a quota value of SEK 0.625 per share (2.50). The share capital amounts to SEK 98.4 million (98.1). Each class A share entitles the holder to one vote at the Annual General Meeting and each class B share entitles the holder to one-tenth of a vote at the Annual General Meeting. Each shareholder is entitled to vote for all of the shares they hold in the company.

Share split

On 24 May 2022, Trianon carried out the share split adopted by the Annual General Meeting on 12 May 2022. In connection with the share split, each existing share was divided into four new shares of the same share class (a 4:1 split).

Convertible loans

The incentive programme for staff in the form of convertible loans was subscribed during 2019 at an amount of SEK 11.4 million, with a maturity of three years. SEK 9.8 million was converted to shares in autumn 2022 and the remaining SEK 1.6 million repaid in December 2022. The conversion to shares has added 499,997 shares to the company and increased share capital by SEK 312,498

and has resulted in a dilution of capital of 0.3 percent and of votes of 0.2 percent.

Dividend and dividend policy

The dividend shall, in the long run, amount to between 30 and 50 percent of the profit from property management less tax paid. During periods of strong growth, the dividend may be at the lower end of the range.

Despite the Company's strong financial position, the Board of Directors has decided to delay its dividend proposal for 2022. This is in order to provide the flexibility to evaluate new business opportunities. The Board will make its dividend proposal no later than on the issue of notice of the Annual General Meeting 2023. The dividend for 2021 was SEK 2.00 per share.

Listed bonds

Trianon has three listed bond loans outstanding. In 2019, a subordinated sustainable bond loan with maturity of SEK 500 million was issued. In 2021, unsecured corporate bonds totalling SEK 500 million were issued on the Nordic corporate bond market, which in 2021 were listed on Nasdaq Stockholm. In 2022, a sustainable hybrid bond was issued for SEK 500 million and at the same time the previous hybrid bond was repurchased for SEK 402 million. Both hybrid bonds are listed on the Nasdaq Stockholm Sustainable Bond List. For further information about the bond loans and terms, see financing on pages 42–45.

Share price development and turnover, 1 January–31 December 2022



Trianon's total return compared with OMX Stockholm Gross Index (GI)



The share's development

Decision date	Event	Change in the number of shares		Number of shares after the transaction			Share capital (SEK)	
		Class A shares	Class B shares	Class A shares	Class B shares	Total shares	Changes	Total
20 Jun 1991	New share issue	74,000	20,600	504,000	610,000	1,114,000	946,000	6,846,000
03 Jan 1992	Exchange of convertibles	37,000	0	541,000	630,600	1,171,600	370,000	7,216,000
29 Oct 2008	New share issue	1,082,000	342,000	1,623,000	972,600	2,595,600	14,240,000	21,456,000
17 May 2010	New share issue	168,391	54,221	1,791,391	1,026,821	2,818,212	2,226,120	23,682,120
03 Jun 2010	New share issue	1,621,700	50,000	3,413,091	1,076,821	4,489,912	21,217,000	44,899,120
09 Jun 2011	New share issue	682,618	215,364	4,095,709	1,292,185	5,387,894	8,979,820	53,878,940
29 Jun 2012	New share issue	0	1,001,992	4,095,709	2,294,177	6,389,886	10,019,920	63,898,860
16 Apr 2015	New share issue	409,571	229,418	4,505,280	2,523,595	7,028,875	6,389,890	70,288,750
03 Apr 2017	Share split (4:1)	0	0	18,021,120	10,094,380	28,115,500	0	70,288,750
03 Apr 2017	Reclassification	-16,500,002	16,500,002	1,521,118	26,594,382	28,115,500	0	70,288,750
21 Jun 2017	New share issue	0	6,250,000	1,521,118	32,844,382	34,365,500	15,625,000	85,913,750
27 Nov 2019	New share issue	0	2,100,000	1,521,118	34,944,382	36,465,500	5,250,000	91,163,750
08 Jul 2020	New share issue	0	1,000,000	1,521,118	35,944,382	37,465,500	2,500,000	93,663,750
03 Aug 2021	New non-cash issue	0	285,990	1,521,118	36,230,372	37,751,490	714,975	94,378,725
18 Nov 2021	New share issue	0	1,500,000	1,521,118	37,730,372	39,251,490	3,750,000	98,128,725
24 May 2022	Share split (4:1)	0	0	6,084,472	150,921,488	157,005,960	0	98,128,725
20 Sep 2022	Issue through conversion	0	407,690	6,084,472	151,329,178	157,413,650	254,806	98,383,531
06 Dec 2022	Issue through conversion	0	92,307	6,084,472	151,421,485	157,505,957	57,692	98,441,223
Total				6,084,472	151,421,485	157,505,957		98,441,223

Shareholders on 31 December 2022

The two largest owners in Trianon are Olof Andersson, privately and through companies, and Jan Barchan, through companies, with each of them representing around 27 percent of the Company's total shares and approximately 32 percent of the Company's total votes.

Name	Total Holdings	Holdings	Total Votes	Votes
Olof Andersson privately and through companies	42,976,927	27.29%	6,899,578.3	32.50%
Briban Invest AB	41,771,916	26.52%	6,779,077.2	31.94%
Grenspecialisten Förvaltning AB	15,170,096	9.63%	1,517,009.6	7.15%
SEB Fonder	9,585,984	6.09%	958,598.4	4.52%
Länsförsäkringar Fastighetsfond	9,078,457	5.76%	907,845.7	4.28%
Mats Cederholm privately and through companies	3,635,940	2.31%	635,847.6	3.00%
The Eklund Family privately and through companies	4,080,000	2.59%	408,000.0	1.92%
Verdipapirfondet Odin Eiendom	3,268,248	2.07%	326,824.8	1.54%
Tredje AP-fonden [the Third National Pension Fund]	1,944,412	1.23%	194,441.2	0.92%
Humble småbolagsfond	1,920,960	1.22%	192,096.0	0.90%
Other shareholders	24,073,017	15.28%	2,407,301.70	11.34%
Total	157,505,957	100.00%	21,226,620.5	100.00%

Key figures per share

	2022	2021	2020	2019	2018
Number of outstanding shares, thousand ¹	157,506.0	157,006.0	149,862.0	145,862.0	137,462.0
Average number of shares outstanding, thousand ^{1, 2}	157,439.7	150,992.8	147,857.6	138,244.4	137,462.0
Equity per share, SEK	34.11	33.23	23.57	19.41	14.39
Equity per share, SEK ³	31.14	30.60	20.58	16.82	14.39
Earnings per share, SEK ²	-2.05	8.41	3.31	2.14	1.85
Long-term net worth per share, SEK	39.35	38.79	28.22	23.20	17.45
Long-term net worth per share, SEK ³	36.38	36.16	25.23	20.61	17.45

¹ Number of shares as well as the average number of shares restated taking into account the 4:1 share split on 27 May 2022.

² Definition in accordance with IFRS.

³ After the deduction of equity attributable to hybrid bonds.

Valuation policies

Trianon's properties are valued at fair value in accordance with IFRS. The value of the properties is based on external or internal property valuations. External valuations are made at least annually of all properties, with the exception of project properties. Project properties are valued externally when their degree of completion is sufficient to enable a reliable valuation to be made. Until that point, the properties are valued at cost. Thereafter, investment profit is calculated for the project and a deduction is made in relation to the degree of completion.

External valuations in 2022 have been performed by authorised property valuers via Forum Fastighetsekonomi, Bryggan Fastighetsekonomi, Croisette Real Estate Partner, Newsec Advice and Novier. At the end of the period, approximately 90 percent of the total property value was externally valued.

Changes in value

The market value of the properties as at 31 December 2022 amounted to SEK 12,862.6 (12,665.5). Investments in existing properties amounted to SEK 554.9 million (309.8) for the period. Investments relate mainly to ongoing apartment renovations in the residential portfolio, adaptations to meet tenants' requirements in business premises, redevelopments including the Entré property Rolf 6, new construction projects and property improvement measures resulting in increased net operating income.

Investments in properties via companies amounted to SEK 39.0 million (2,693.6). Investments in new investment properties amounted to SEK 0.0 million (50.1).

The changes in value for the year amounted to SEK -234.5 million (1,311.2) excluding deferred tax. The average yield was 4.2 percent (4.6) at the end of the period. For further information on returns per segment, see page 34, Note 90.

Valuation method

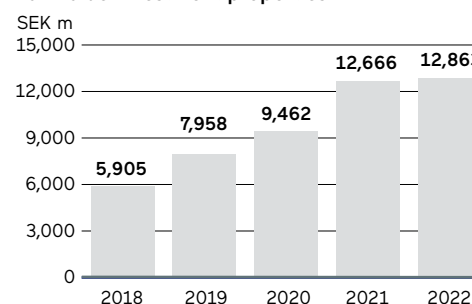
Analysis of each property's status, rental and market situation has been made in connection with valuation. The main valuation method carried out uses a cash flow calculation on each property, which involves a present value calculation of estimated future net operating income and investments. In calculating future cash flows, the factors taken into account are the market and the future development of the local area, the market conditions and market positions for the properties and market rental terms and conditions, as well as operating costs and maintenance costs in similar properties compared with the Company's properties. To this will be added the present value of an estimated market value at the end of the calculation period. The calculation period used varies between five and twenty years, depending on the property. Comparisons and analyses have also been carried out on completed purchases of properties within each market segment.

Valuation assumptions

The following assumptions and assessments have been used in the external valuation as at 31 December 2022:

- Inflation has been assumed at 5 percent for 2023 and thereafter at an annual rate of 2 percent during the calculation period.

Fair value investment properties



- The rent trend has been assumed to broadly follow inflation or, where appropriate, indexation.
- The discount rate and required return are based on analyses of completed transactions, as well as individual assessments of risk level, likely buyers and the market position of the property.
- The required return varies from 2.25 percent to 7.5 percent.

Building rights which have not gone through the planning process or building rights not yet taken into possession have not been valued. Building rights and potential building rights have not been valued for existing properties. For more information about Trianon's building rights, see project description in the Development section.



Social development in Svedala

During the year, Trianon initiated a partnership with Svedala IF, which is one of the largest football clubs in the municipality. Trianon pays half of the membership fee for young people who live in the company's residential area of Svedalagården. This contributes to meaningful leisure time and provides support for the local clubs that play a key role in the everyday lives of children and young people.

Risks and risk management

Trianon's operation is subject to various types of risks which may affect Trianon.

The systematic identification and management of risks enables Trianon to limit their impact and create the conditions for the company's continued development. The most significant risks are described below.

Risk areas	Description	Exposure	Risk management
External risks – risks affected by external factors and events			
Information security	The global increase in digitisation in our everyday lives entails increased vulnerability and a risk that information security may be compromised.	For a company such as Trianon, where the tools are primarily digital, there is always a risk of threats, incidents and hacking.	Guidelines for information security have been drawn up to increase knowledge and understanding of threats, incidents and risks linked to information assets.
Strategic risks – includes risks which may prevent Trianon from achieving the Company's vision and goals			
Political decisions	Short-term decisions and sudden shifts in political quarters may hinder the development of the company.	Malmö has a need for affordable new housing, which Trianon has been able to provide in the past thanks to previous investment support.	Trianon takes an active role in debates, and has participated in national dialogues on construction with the aim of influencing the opportunity to build affordable and sustainable housing.
Environmental and climate risks	According to Boverket [the Swedish National Board of Housing, Building and Planning], properties are responsible for approximately 40 percent of Sweden's energy use, for electricity and heating. Accordingly, we need to reduce our energy requirements by optimising the operation of our existing properties and setting high standards for energy performance when we renovate or build new.	Lack of environmental work and increasing energy use lead to emissions of air pollutants and greenhouse gases that affect the climate in the form of increased risk of flooding and rising water levels. Lack of work on environmental and climate issues can affect Trianon's property portfolio and lead to direct costs.	<ul style="list-style-type: none"> Investment in renewable energy sources. Prioritises energy and heat efficiency in our properties. Maintains good knowledge of laws and regulations. Catalogue the property portfolio and take necessary action. For more information, see the Sustainability Report on pages 20–29.
Operational risks – risks related to the efficiency and management of resources in the Company			
Changed rental income, rental trends and rent setting	<p>Trianon's revenue consists largely of rental income affected by the occupancy rate of the properties on the premises, the rent level and the ability of the tenants to fulfil their payment obligations under their contracts.</p> <p>The rental trend for commercial premises is dependent on the economic cycle and is primarily affected by factors such as demand, type of premises, layout, standard and location. Rent setting for residential units is partly subject to statutory regulation.</p>	<p>Trianon considers that the risk of lower rental income attributable to residential units as low, since there is a continuing shortage of housing in Malmö and the surrounding area. The risk of lower lease income from the commercial premises portfolio is higher than in the residential portfolio, but is limited by the structure of contracts for premises included in the portfolio, as well as on geographical location.</p> <p>The average remaining lease term until expiry weighted by average agreed rental income (WAULT) for commercial leases amounted to 4 years. For more information, see contract value per year in Note 4.</p>	80 percent of Trianon's 5,000 residential units are let at an average rent of less than SEK 1,600 per m ² per year. The demand for affordable housing is expected to remain high in future, and the Malmö Region is expected to see a substantial increase in population. A proactive approach to the social environment and job creation to increase well-being and stability reduces risks in the residential segment. Vacancies in commercial premises are mostly in the Entré properties. Otherwise, vacancies in the portfolio of commercial premises are low.
Changed operating costs and maintenance costs	<p>Increased operating and maintenance costs due to inflation can have a negative impact. Operating costs consist mainly of the costs of heating and electricity, cleaning and water. Heating costs are subject to seasonal variations, and the costs rise during the winter.</p> <p>In consequence of the provisions of leases and regulatory requirements, Trianon is obliged to maintain the standard of the buildings and the residential units.</p>	A number of goods and services can be purchased only from a single operator or a small number of players, which may mean that Trianon would be forced to accept the prevailing price levels in the absence of alternatives. There is a risk that it may not be possible to offset any cost increases through corresponding increases in rents. Unforeseen and extensive renovation requirements may significantly increase maintenance costs. Trianon's maintenance costs amount to 21 percent of total property costs.	<p>Trianon is an active manager of its properties and constantly evaluates improvements to increase income and reduce operating costs, and also evaluates measures to increase energy efficiency. In procurements, we aim for central agreements to keep property costs down.</p> <p>Our five-year maintenance plans are intended to reduce the risk of unforeseen and extensive renovation requirements.</p>

Risk areas	Description	Exposure	Risk management
Operational risks – risks related to the efficiency and management of resources in the Company			
Project-related risks	One part of Trianon's operation consists firstly of new construction and secondly of adapting the existing property portfolio to meet the wishes of tenants through renovation and modernisation, as well as adaptations to suit tenants. Large adaptation projects are associated with expensive investments, and there is no guarantee that the cost of these investments may be offset through increased rents or reduced costs.	Investment costs and project costs may be higher than expected, as a result, for example, of inflation, delays and unforeseen events. In the event that Trianon may not be compensated for such increased expenses or income shortfalls, there could be a negative impact on Trianon's operation, financial position and results.	For new construction, Trianon enters into a memorandum of understanding with the contractor on a target price. This gives an incentive to meet the target price and creates transparent cost control in the project, and this has proved effective in staying on budget in new construction. Ongoing contracts have been procured at fixed prices. For investments in adapting commercial premises, the Company is compensated in many cases by an investment supplement in the lease.
Retaining and recruiting competent staff	It is important to Trianon to succeed in retaining and continuing to motivate its staff, as well as in recruiting qualified personnel in the future. In the event that the Company is unable to retain or recruit senior executives and other key personnel, this would have a negative impact on the Company's operation, financial position and results.	Trianon runs its operation through its own employees, and, as the Company grows, additional staff are employed in various areas. Trianon's future progress is largely dependent on the competence, experience and ability of its management, key personnel and other employees.	Trianon strives constantly to improve its attractiveness as an employer through a range of measures. Development work was launched in 2022 with the aim of increasing participation, managing heavy workload and stress and developing leaders and managers. The Company offers internal career paths to retain talented employees, as well as encouraging job rotation and staff development.
Legal risks – includes risks linked to laws, ordinances and regulations			
Risks in connection with property transactions	The acquisition of properties is an essential element in our operation, and the condition for acquisitions is that the supply in the market corresponds to expectations and investment capacity in respect of location and expected return. The availability of and demand for properties and building rights, competition, planning, local regulations and access to financing can limit opportunities to carry out acquisitions on beneficial terms.	<p>The acquisition of properties is subject to risks linked to the acquired property, such as the risk of incorrect assumptions on the future return on the asset, the risk of shortage of tenants or unforeseen expenses for dealing with environmental requirements.</p> <p>Property transactions can also generate significant transaction costs which it may not be possible to compensate for.</p>	In the event of an acquisition, technical, environmental, legal and taxation investigations are carried out on the properties and the status of the companies. These are carried out using both internal and external resources, in the form of independent external consultants.
Financial risks – risks in Trianon's financing			
Changes in market interest rates	<p>Interest rate risk refers to the risk that a change in market interest rates may have a negative impact on the Group's results and cash flows. The major part of Trianon's financing is through borrowings from credit institutions and the non-current liabilities run with fixed or variable interest.</p> <p>Interest rate risk refers to the risk that a change in market interest rates may have a negative impact on the Group's results and cash flows. Market interest rates are affected primarily by the expected inflation rate and short-term interest rates are affected primarily by the Swedish Central Bank's repo rate.</p>	<p>Interest expense is affected mainly by:</p> <ul style="list-style-type: none"> • current market interest rates • the margins of the credit institutions • fixed-interest strategy <p>A change in the market interest rate of one percentage point would involve an increase/decrease of around SEK 62.7 million on that part of the liability which is not covered by interest rate swaps and fixed-interest loans.</p> <p>The market interest rates may also affect derivative liabilities.</p> <p>Interest rate derivatives are recognised at fair value in the balance sheet. As the market interest rates change, a theoretical surplus value or undervalue arises, which does not affect cash flows.</p>	<p>Trianon's finance policy sets targets for interest-rate exposure for the Group's loan portfolio. The target is that the average fixed interest period should be 2–4 years.</p> <p>Interest rates are hedged through interest rate swaps.</p> <p>At the end of the financial year, the fixed interest period was 0.5 years (2.7).</p> <p>The proportion of loans at fixed interest was 9 percent. For further information, see Note 3.</p>
Financing	Refinancing risk is the risk that it will not be possible to refinance a loan or other financial obligation which falls due for payment, or the risk that refinancing must be arranged in an unfavourable market situation on disadvantageous interest-rate terms.	Trianon's financing is mainly through bank loans with property mortgages as security. There is a risk that further financing will not be obtained, that existing loans will be cancelled or that new loans can be obtained only on terms which are less favourable. There are agreements with lenders on particular commitments such as interest coverage ratio, loan-to-value ratio and equity/assets ratio. All terms and conditions were fulfilled during the financial year.	<p>Trianon's finance policy sets targets for average debt maturity period for the Group's loan portfolio. The average debt maturity period should be 2 years.</p> <p>The loan portfolio is allocated over various average debt maturity periods and our aim is to have an even maturity structure among lenders. The average debt maturity period was approximately 3.2 years (2.1).</p> <p>A liquidity reserve must be available at all times.</p>

Risk areas	Description	Exposure	Risk management
Financial risks – risks in Trianon's financing			
The value of Trianon's properties	Both property deterioration and market-specific deterioration may lead to a reduction in the value of the properties. All of Trianon's properties are classified as investment properties and are recognised at fair value. Fair value is determined by assessing the market value of each individual property. The value of the properties is affected by a number of factors, including both property-specific factors such as: <ul style="list-style-type: none"> • vacancy rate • rent level • contract length • operating costs and market-specific factors such as: <ul style="list-style-type: none"> • required return • imputed interest rates from comparable transactions on the property market 	Property valuations are an estimate of the price which an investor would be willing to pay for the property at a given time. The valuation is based on accepted models and assumptions. The market value of the property can only be secured in a transaction between two independent parties. The uncertainty interval is normally +/- 5–10 percent. A change in property value of +/- 5 percent affects Trianon's property value by +/- 643 million. See the table for the sensitivity analysis on page 82. The various parameters are affected individually by various assumptions and these do not normally all work in the same direction. The vacancy rate refers only to commercial premises, since the Company considers that the risk of vacancies in residential properties is low.	External valuations are carried out in the properties at least once a year, and internal valuations are made on at least a quarterly basis. Trianon has a sound knowledge of the property market in Malmö and its environs. The properties are developed on a regular basis both to increase income and reduce costs. Social initiatives in residential areas contribute to increased stability and security, and also add to the attractiveness of residential areas, and this has a positive impact on property values. For further information, see Note 17 on page 82.
Tax legislation	Views on the size and incidence of corporate taxation, value-added tax and property taxation, as well as other central government and local authority taxes and allowances vary significantly between political parties, and corporate taxation legislation is often subject to review. Changes in tax legislation may affect the conditions for Trianon's operations to a significant extent.	Rules on limiting interest-rate deductions may mean that there is no right of full deduction for interest expense. On the other hand, the increased additional depreciation deduction for newly built properties benefits new construction. Overall, for Trianon the tax rules may mean that the taxable profit will increase in the long term and that the loss carryforward will be settled more quickly. An activity with mixed right of deduction for VAT may involve different interpretations of applicable rules.	Trianon's Board has adopted a tax policy with guidelines for tax management. Trianon will carefully monitor any issues concerning changes in legislation, and will act openly and transparently towards the authorities on tax matters. External tax experts will be used if necessary. Transactions which involve aggressive tax planning and which do not have a commercial justification shall not be carried out.
Sustainability risks			
Employees	Employees are important assets that drive the business forward. One risk may be to fail with well-being, security, recruitment and development.	Dissatisfied employees, deficiencies in the psychosocial work environment, inadequate leadership and insufficient competence can lead to, among other things, increased costs, impaired performance, damaged brand and impaired profitability.	<ul style="list-style-type: none"> • Long-term work and good leadership in order to increase employee well-being. • A well-established common set of values. • Market compensation. • Employee surveys and follow-ups. • Continuous work with Trianon's work environment. Read more on pages 24–26.
Social conditions	Low employment rate, high turnover rate and experience of insecurity in the residential areas.	Low employment rates can contribute to exclusion among the tenants as well as anxiety and stress among tenants and employees, which can lead to a high turnover rate, increased number of vacancies and reduced profitability.	<ul style="list-style-type: none"> • Actively work to create jobs in the company's socio-economically vulnerable areas. • Renovate with reasonable rent increases. • Flexible income requirements for tenants in the company's rental policy. • Physical measures in the outdoor environment. Read more on pages 22–23.
Anti-corruption	In the construction and real estate industry, there may be ethical risks in corruption, including illegal subletting, bribes, unfair working conditions and fraud in the construction industry. The risks may exist within Trianon and with contracted suppliers.	Corruption and irregularities can cause great harm to individuals, the brand and the company with financial losses as a result.	<ul style="list-style-type: none"> • The company's certification scheme and purchasing policy together with a code of conduct for employees and suppliers must contribute to good control and business ethics. • Training for Trianon's employees in the code of conduct. Read more on page 26.
Human Rights	There is a risk that our suppliers do not meet our requirements regarding human rights in terms of compensation, working conditions and the existence of forced labour.	Irregularities can harm individuals, the brand and the company with financial losses as a result.	<ul style="list-style-type: none"> • Continuous dialogue is conducted with suppliers in procurements, renovation projects and new production. • Trianon has a code of conduct for suppliers that describes the company's requirements for the supplier in terms of sustainable and responsible conditions. Read more on page 26.

Corporate governance report



” In a tumultuous world, all of Trianon’s employees have shown dedication and continued to generate both business benefit and social benefit and have demonstrated that our business model and strategy can resist turbulence on the market. We delivered good profit from property management during the year and at the same time took further steps to contribute to sustainable urban development. The changes we have made to our financial framework are providing further stability. I am particularly pleased that we have linked both loans and bonds to important sustainability goals. We have strengthened our organisation and we have continued to develop corporate governance, internal control and risk management. Trianon is characterised by a high rate of change and continuous improvement and this work was evident throughout 2022. Our culture and entrepreneurial spirit help us to maintain a true course in uncertain times and I would like to offer my sincere thanks to all those who have contributed during the year.

Viktoria Bergman, Chair of the Board.

Principles for corporate governance

Fastighets AB Trianon (publ) is a Swedish public limited company based in Malmö. The company’s class B shares are listed on Nasdaq Stockholm. The company shall build, buy, manage and sell real estate and other compatible activities.

The governance of Trianon is based on the company’s articles of association, Swedish law, internal rules and regulations and Nasdaq’s regulations for issuers. Trianon complies with the Swedish Code of Corporate Governance (the “Code”). Trianon deviates from clause 4.2 of the Code when a deputy board member has been appointed in accordance with what is stated under the heading Annual General Meeting 2022. The principal owners consider this procedure to be expedient to prepare succession and ensure long-term continuity in the board.

Shareholders and shares

The Company’s share capital as at 31 December 2022 amounted to SEK 98,441,223, and the quota value per share was SEK 0.625. The company has a total of 157,505,957 shares, of which 6,084,472 are class A shares and 151,421,485 are class B shares. Each class A share provides entitlement to 1 vote and each class B share to 1/10 vote, making the total number of votes 21,226,620.5. The market capitalisation as at 31 December 2022 was SEK 3.3 billion.

Trianon’s Annual General Meeting 2022 approved a share split, which was implemented on 24 May 2022. In connection with the share split, each existing share was divided into four new shares of the same share class (a 4:1 split).

Trianon’s convertible programme for staff was converted on two occasions during autumn 2022, which has increased the number of shares by a total of 499,997 class B shares and has increased the share capital by SEK 312,498.

The two largest owners in the company are Olof Andersson, privately and through companies, and Jan Barchan, through companies, each of which represents approximately 26 percent of the company’s total shares and approximately 32 percent of the company’s total votes. More information about the company’s ownership structure can be found on page 47.

Annual General Meeting

Trianon’s Annual General Meeting will take place on 11 May 2023. The Annual General Meeting is Trianon’s highest decision-making body and shareholders exercise their voting rights on key issues, such as approving income statements and balance sheets, appropriation of the company’s profit, granting discharge from liability to the Board members and CEO, election of Board members and auditor as well as remuneration to the Board and auditor. The Annual General Meeting shall be held within six months from the end of the financial year. In addition to the Annual General Meeting, an Extraordinary General Meeting may be convened.

Governance structure

Responsibility for the governance, management and control of Trianon’s operations is divided between the Board of Directors, the CEO and the company management. It is the shareholders via

the General Meeting who ultimately make decisions about the company's governance.

According to the company's articles of association, notice of the Annual General Meeting is given by advertising in Post- och Inrikes Tidningar and by making the notice available on the company's website. The issuing of notice shall at the same time be announced in Dagens Industri.

The right to participate in the Annual General Meeting

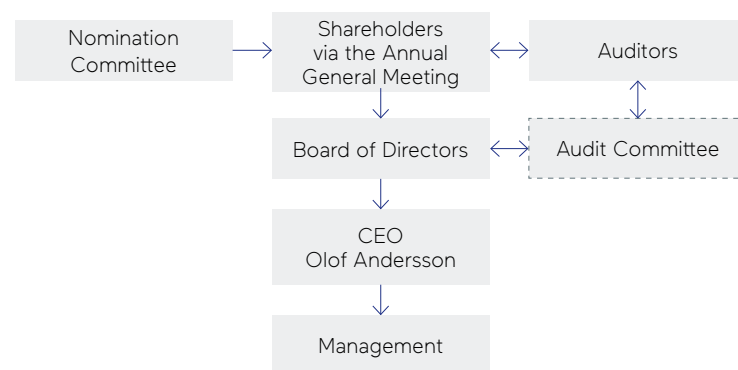
Shareholders who wish to participate in the discussions at the Annual General Meeting must be entered in the share register kept by Euroclear Sweden five weekdays before the meeting, and register with the company for participation in the Annual General Meeting no later than the day specified in the notice convening the meeting. Shareholders may attend Annual General Meetings in person or by proxy and may also be assisted by a maximum of two people. Shareholders are entitled to vote for all shares held by the shareholder.

Initiatives from shareholders

Shareholders who wish to have a matter considered at the Annual General Meeting must send a written request to this effect to the Board. The request must be received by the Board in good time before the Annual General Meeting, in accordance with what is announced on the company's website in connection with the time and place for the Annual General Meeting.

Nomination Committee 2023

Name	Represents	Shareholding	Function
Torbjörn Granevärn	Olof Andersson Förvaltnings AB	27.29%	Chair
Jan Barchan	Briban Invest AB	26.52%	Member
Malin Ruijsenaars	Grenspecialisten Förvaltning AB	9.63%	Member
Viktoria Bergman	Chair of the Board of Trianon	-	Member
Johannes Wingborg	Länsförsäkringar Fondförvaltning AB	4.52%	Co-opted



Nomination Committee

At the company's Annual General Meeting on 12 May 2022, it was decided that the Chair of the Board, based on ownership at the end of September 2022, shall convene a Nomination Committee consisting of the Chair of the Board and a representative for each of the three largest shareholders in the company. If any of the three largest shareholders chooses to waive their right to appoint a member of the Nomination Committee, the right passes to the shareholder who, after these shareholders, has the largest shareholding. The Nomination Committee shall remain until the next Nomination Committee has been appointed. The Nomination Committee shall perform what is incumbent on the Nomination Committee in accordance with the Swedish Code of Corporate Governance.

The Nomination Committee will be constituted and convened in good time before the 2023 Annual General Meeting and its proposals will be presented in the notice convening the Annual General Meeting and on the company's website.

Annual General Meeting 2022

The Annual General Meeting was held in the company on 12 May 2022. At the meeting, 85 percent of the votes were represented. The AGM made decisions in the matters that come before the AGM in accordance with the Articles of Association. The accounts for 2021 were approved by the AGM and the Board members and the CEO was granted discharge from liability for the 2021 financial year.

- Re-election of the Board members Boris Lennerhov, Olof Andersson, Axel Barchan, Viktoria Bergman, Jens Ismunden, Elin Thott and Richard Hultin.
- Re-election of Deputy Board member Sofie Karlsryd, daughter of Olof Andersson (Olof Andersson Förvaltnings AB). The company's main owners believe that this is an appropriate way to prepare the succession on the company's Board and a way to ensure long-term continuity in the Board's work.

Important external regulations

- Swedish Companies Act
- Nasdaq Stockholm's regulations for issuers
- Swedish code of corporate governance
- IFRS standards
- EU Market Abuse Regulation
- Sustainability Bond Guidelines (ICMA)
- Green Loan Principles, Social Loan Principles (LMA)
- EU Taxonomy Regulation

Important internal regulations

- Articles of Association
- The Board's Rules of Procedure
- CEO instruction
- Communication policy, Insider policy, Finance policy, Tax policy and Codes of Conduct
- Processes for internal control and risk management
- Other control instruments, policy documents, manuals and recommendations

- The Board's remuneration shall amount to a total of SEK 1,125,000 (1,125,000), of which the Chair of the Board shall receive SEK 300,000 (300,000) and other members who are not employees of the company shall receive SEK 150,000 (150,000) each and the Deputy Board members shall receive SEK 75,000 (75 000) each.
- Fees for work in the Audit Committee shall be paid in a total of SEK 120,000 (120,000), of which SEK 60,000 (60,000) to the chair and SEK 30,000 (30,000) each to other members.
- Decision on dividend of SEK 2.00 per share for the financial year 2021.
- Principles for the appointment of a nomination committee as above.
- Re-election of Mazars AB, with Anders Persson as principal auditor and re-election of Rasmus Gråhn as auditor (personal co-auditor of Anders Persson).
- Decision to approve the Board's remuneration report.
- Decision to split the company's shares (4:1 split) and amend the Articles of Association to reflect the new number of shares following the split.

- Decision on a long-term incentive programme in the form of staff convertibles.
- Issue authorisation for 10 percent of the total number of shares in the company.

Board of Directors

The Board is responsible for the company's administration and organisation. This entails responsibility for, among other things, setting goals and strategies, ensuring routines and systems for evaluating set goals and identifying how sustainability issues affect the company's risks and opportunities. In addition, the Board must continuously evaluate the company's results and financial position and evaluate the operational management, as well as specify the necessary guidelines for the company's conduct in society in order to secure its ability to create long-term value. The Board is also responsible for ensuring that the annual report and interim reports are prepared in a timely manner. The Board also appoints the company's CEO.

The Board members are normally elected by the Annual General Meeting for the period until the end of the next Annual General Meeting. According to the company's Articles of Association, the Board, insofar as it is elected by the Annual General Meeting, shall consist of a minimum of three members and a maximum of ten members, with a maximum of three deputies.

The Board shall, in accordance with the Code, be characterised by versatility and breadth regarding the members' competence, experience and background.

The Board follows written rules of procedure that are revised annually and adopted at the statutory Board meeting every year. The rules of procedure regulate, among other things, Board practice, functions and the distribution of work between the Board members and the CEO, as well as financial reporting. In connection with the

statutory Board meeting, the Board also approves the instructions for the CEO.

The Board meets according to an annually established schedule. In addition to these Board meetings, additional Board meetings may be convened to address issues that may not be referred to an ordinary Board meeting. In addition to the Board meetings, the Chair of the Board and the CEO have an ongoing dialogue regarding the management of the company.

Committee

The Board has an Audit Committee consisting of two Board members, together with the Chair of the Board. The purpose of the Audit Committee is to increase the quality of the company's and the Group's audit, strengthen the contact between the Board and the company's auditor and increase the quality and strengthen supervision and control over the company's financial risk exposure, risk management financial reporting and sustainability reporting.

The company's auditors have participated in three committee meetings, one Board meeting and had an individual meeting with the Board without the participation of company management.

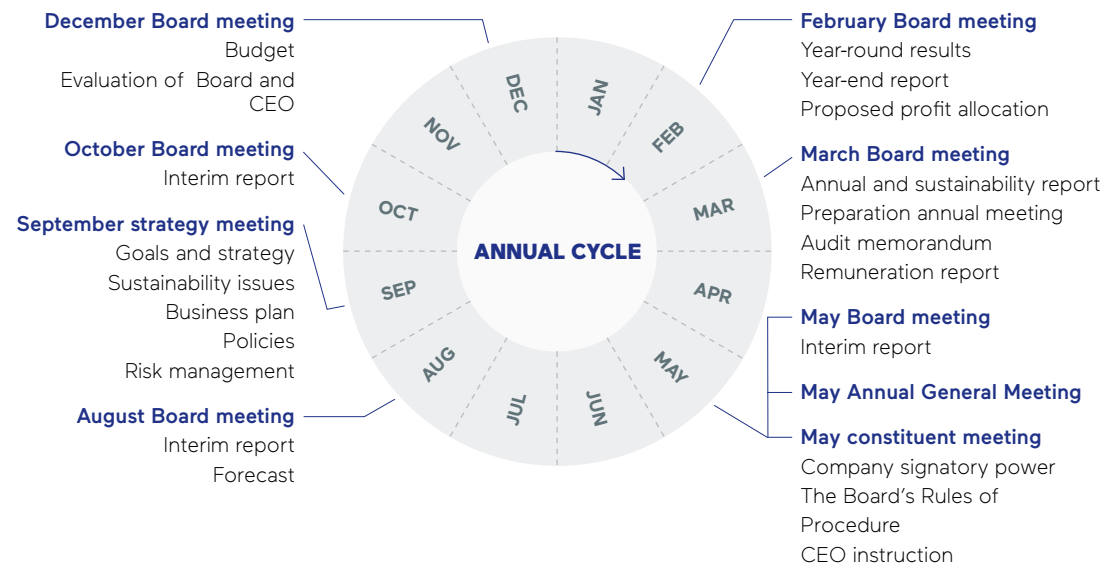
The Audit Committee held five meetings in 2022.

The Board has decided not to establish a special remuneration committee, but that instead the Board in its entirety shall fulfil the tasks that such a committee shall have in accordance with the Code.

The Board's work 2022

The Board consisted of seven members and one deputy until August 2022 and thereafter of six members and one deputy.

In August 2022, Boris Lennerhov, who has been Chair of the Board since 2021, stepped down for personal reasons. The Board resolved to appoint Viktoria Bergman as Chair of the Board



until a new Chair could be elected by the General Meeting. Viktoria Bergman has been a Board member of Trianon since 2017.

The Board held 15 minuted Board meetings during the year. The focus of the meetings held during the year was on strategic issues, transactions, financing, organisation and the approval of interim reports and forecasts. At the statutory Board meeting held after the Annual General Meeting, a decision was made on the signatory power of the company.

Decisions were made regarding the Board's rules of procedure as well as CEO instructions that were established at the meeting. The CEO was evaluated during the year. The Board was evaluated in December 2022 and this was then reported to the Nomination Committee. The Board evaluation follows the guidelines for the Board evaluation in the Code.

Group management

The Group's management consists of the CEO, the company's Deputy CEO and CFO, head of business development, head of transactions and heads of property management.

The CEO is subordinate to the Board and is responsible for the company's day-to-day management and the day-to-day operation of the Group's business. The division of work between the Board and the CEO is stated in the rules of procedure for the Board and the instructions for the CEO. The CEO is also responsible for preparing reports and compiling information from management prior to Board meetings and is the presenter of the material at Board meetings.

The CEO shall keep the Board continuously informed of the development of the company's operations, the development of sales, the company's earnings and financial position, cash and credit situation, major business incidents and any

other incident, event or circumstance that may be assumed to be significant to the company's shareholders.

Remuneration and terms of employment for the CEO and other senior executives

Trianon shall offer market-based remuneration levels and terms of employment that enable it to recruit and retain senior executives with high competence and capacity to achieve set goals. "Senior executives" refers to the Executive Management Team. The full Board of Directors excluding the CEO draws up the principles for the remuneration and terms and conditions of employment for the Executive Management Team, and approves the remuneration and terms and conditions of employment of the CEO.

Trianon's Annual General Meeting approved the following guidelines for remuneration and other terms and conditions of employment: Remuneration shall be on market terms and may consist of the following elements: fixed cash salary, retirement benefits and other benefits. In addition, the General Meeting may, for example, – and independent of these guidelines – approve share-related and share price-related remuneration. The fixed salary shall take account of the individual's areas of responsibility and experience. Retirement benefits, including health insurance, for the CEO shall be defined-contribution. The pension premiums for defined-contribution pensions shall amount to a maximum of 35 percent of the annual cash salary. There will be the option, after negotiation, to convert fixed salary to pension provision. The CEO will have the right to a company car.

Remuneration to the CEO is stated in Note 8, page 78, to the Annual Report (Average number of employees, personnel costs, pensions and other).

According to the CEO's employment contract, a notice period of twelve months applies

in the event of termination by the company. If the CEO resigns, the notice period is six months. In addition to salary during the notice period, the CEO is also entitled to severance pay of six monthly salaries in the event of termination by the company. According to the employment contract for the Deputy CEO/CFO, a mutual notice period of six months applies. The respective employment contracts for the CEO and the Deputy CEO/CFO contain customary non-compete clauses that cover a period of twelve months after the termination of employment. Trianon has followed the guidelines decided by the 2020 Annual General Meeting. The remuneration report has been available on the company's website since 2021.

Organisation

The average number of employees in 2022 was 93, of which 38 were women and 55 were men.

In addition to staff functions, such as Legal, HR and Communications, operations have been divided into areas of responsibility for Property Management, Economy & Finance, and Business Development.

The property management organisation has been divided into the following management areas with responsible heads of property management:

- Malmö city, west and environs
- Malmö Hermodsödal and Lindängen

The head of business development is responsible for new production, rental housing, sustainability work and the development properties Rosengård Centrum and Entré.

The CFO is responsible for accounting, finance function and investor relations.

Internal control

The Board has the overall responsibility for the

internal control of the financial reporting. The purpose of internal control regarding financial reporting is to ensure that the financial reports are reliable and prepared in accordance with good accounting practice and otherwise comply with applicable laws and regulations.

Trianon applies the COSO framework, which is an internationally recognised and accepted framework for describing the company's control structure. COSO describes the internal control as divided into five components: control environment, risk assessment, control activities, information and communication and monitoring.

Control environment – Internal control is based on divisions of responsibilities and divisions of work through the Board's rules of procedure, instructions for the committees, the CEO and the financial reporting, code of conduct and policies.

Risk assessment – Identification, assessment and management of risks are central both to the process for the overall risk analysis and to the identification of significant processes linked to internal control for financial reporting.

Control activities – Controls must be linked to each identified risk until the risk is considered eliminated or reduced to an acceptable level.

Information and communication – Relevant information must be communicated in the right way, to the right recipient and at the right time. The management group's meetings will be used as a forum for communication and dissemination of information.

Control and monitoring – The system for internal control and risk management must be monitored continuously and aims to ensure that the system is maintained, that changes take place when necessary and to evaluate changes in working methods.

To ensure internal control, the Board has, from an overall perspective, established policy documents, which are revised and adopted annually.

Based on these, the CEO is responsible for designing internal processes and instructions. Significant governing documents and policies established and revised by the Board of Directors, including:

- The Board's Rules of Procedure
- CEO instruction
- Business plan
- Communication policy and Insider policy
- Finance policy
- Code of Conduct, employees and suppliers
- Internal control policy

Significant governing documents and policies established and revised by the management:

- IT policy
- Purchasing policy
- Rental policy

Audit

The auditor shall examine the company's annual report and accounts as well as the Board's and the CEO's management of the company. After each financial year, the auditor shall submit an auditor's report and a consolidated auditor's report to the Annual General Meeting. According to the company's Articles of Association, the company must have a minimum of one and a maximum of two auditors with a maximum of two deputy auditors. The company's auditor is Mazars AB with Anders Persson as principal auditor and Rasmus Gråhn as personal co-auditor of Anders Persson. The total remuneration to the company's auditors is shown in Note 9 on page 78.

Other corporate governance documents such as the Articles of Association are available on the company's website, www.trianon.se.

Board of Directors



	Viktoria Bergman	Olof Andersson	Axel Barchan	Richard Hultin	Jens Ismunden	Elin Thott	Sofie Karlsryd
	Chair of the Board ¹	CEO and Board member	Member of the Board	Member of the Board	Member of the Board	Member of the Board	Deputy Board member
Elected	2017	2006	2020	2021	2020	2017	2010
Born	1965	1965	1993	1956	1976	1972	1986
Education	Communication Executives Program, Stockholm School of Economics. Berghs School of Communication.		Bachelor of Economics at Lund University.	Master of Science in Engineering, Roads and Water at Lund University.	Master's degree in Business Administration at Lund University.	Bachelor of Law, Lund University.	Bachelor's degree in Public Health Science, Malmö University.
Other assignments	Chair of the Board of Galber AB. Board member of Vattenfall AB and Cinis Fertilizer AB and Vice Chair of WaterAid Sweden.	Board member and CEO of Olof Andersson Förvaltnings AB. Board member of Sydsvenska Hem AB, Förvaltnings AB Norra Vallgatan, Anbace Invest AB. Deputy Board member of Frukthandlarn På Limhamn AB.	Board member and active in Briban Invest AB. Board member of Utvecklings AB Laburnum and Nok9 AB.	Board member of At Work Sweden AB, IW Service AB, SMT Malmö Partner Holding AB and Burlöv Center Fastighets AB.	Senior Advisor at RoosGruppen AB. Board member of Lunar A/S.	Board member of FPTK Arena AB, Non-profit association Fair Play Tennis Club.	CEO of Burlöv Center Fastighets AB, Chair of the Board of Olof Andersson Förvaltnings Aktiebolag.
Previous employment and principal work experience	Communications and Sustainability Director and member of Group Management of E.ON Nordic. Communications Director and member of Group Management of The Trelleborg Group. Various positions at Falcon Breweries/Unilever and the Cerealía Group. Deputy Board member of Fastighets AB Nötskrikan.	Chair of the Board and CEO of Sydgrönt AB. Board member of Malmö Cityfastigheter AB, Malmö Citysamverkan AB, Copenhagen Malmö Port AB and the På Limhamn economic association.	Investment banking, Carnegie.	CEO of Skanska Öresund AB, Deputy CEO of Skanska AB and various positions in the Skanska Group.	CIO/Investment Manager at AB Grenspecialisten and Chief Dealer, Danske Bank Markets.	Board member and partner in Advokatbyrån Sigeman & Co AB.	Property Manager at Wihlborgs Fastigheter AB. Board member of Eurocorp AB and Deputy Board member of NJF Fastigheter AB.
Independent in relation to the company's principal owners or position	Independent of the company and management. Independent of principal owners.	Not independent of the company and management. Not independent of principal owners.	Independent of the company and management. Not independent of principal owners.	Independent of the company and management. Independent of principal owners.	Independent of the company and management. Independent of principal owners.	Independent of the company and management. Independent of principal owners.	Not independent of the company and management. Not independent of principal owners.
Own and related party shareholdings 2022	20,000 class B shares	2,890,984 class A shares and 40,085,943 class B shares, privately and via Olof Andersson Förvaltnings AB.	115,600 class B shares	5,320 class B shares	8,400 class B shares	0 shares	35,932 class B shares
Board meeting attendance	15 out of 15	14 out of 15	11 out of 15	14 out of 15	15 out of 15	15 out of 15	9 out of 15
Audit Committee attendance	5 out of 5	-	5 out of 5	-	1 ⁴ out of 5	-	-
Total remuneration 2022, SEK thousand²	240	-	180	150	158	150	75
<i>Of which Board fees, SEK thousand</i>	200	-	150	150	150	150	75
<i>Of which committee fees, SEK thousand</i>	40	-	30	-	8	-	-

¹ Viktoria Bergman, Board member since 2017 and Chair of the Board since August 2022. The previous Chair of the Board, Boris Lennerhov, left Trianon's Board in August 2022 for personal reasons. Boris Lennerhov attended 7 out of 15 Board meetings and 4 out of 5 Audit Committee meetings in 2022 and received fees totalling SEK 270,000, of which Board fees of SEK 225,000 and committee fees of SEK 45,000.

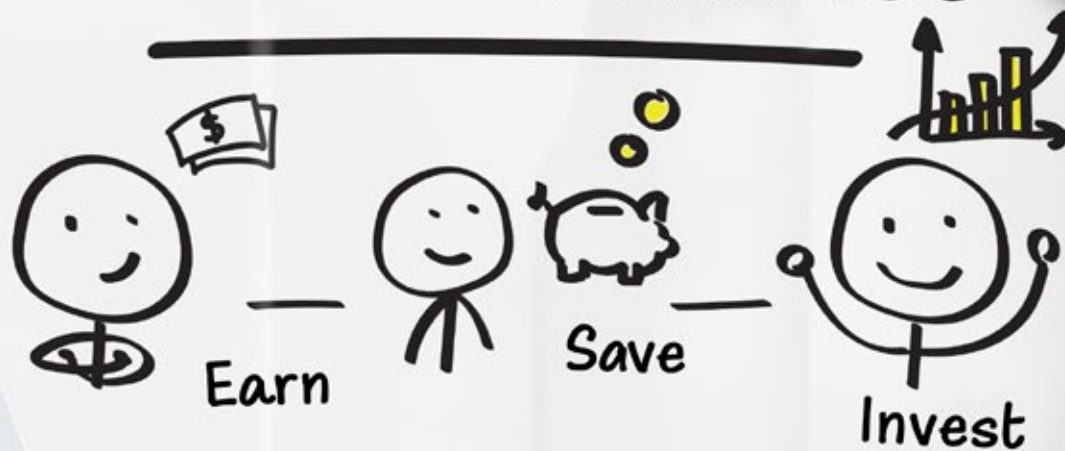
² Remuneration of the Board for the period January–December 2022. The fee for Board members elected at the Annual General Meeting is decided by the Annual General Meeting. For the calendar year 2022, remuneration has been paid in accordance with Note 8, page 78. During the year, Board member Richard Hultin, via a company, received consulting fees of SEK 66,975 for management services performed for partly owned companies in the Group and Board member Elin Thott, via a company, received SEK 25,151 for legal advice in connection with acquisitions. No further compensation in addition to Board fees and fees for committee work has been paid. Remuneration paid to Board members comprises remuneration excluding travel compensation.

Group Management



	Olof Andersson	Mari-Louise Hedbys	Anna Heide	Jonas Karlsryd	Gert Ternström	Lars Åkewall
	CEO and Board member.	CFO and Deputy CEO.	Head of Business Development. Responsible for sustainability, market, rental, new production, Entré and Rosengård Centrum.	Head of Transactions.	Head of Property Management. Responsible for Hermodsdal and Lindängen in Malmö.	Head of Property Management. Responsible for City, Väster, Limhamn, Oxie and Slottsstaden in Malmö and the surrounding area.
Born	1965	1964	1970	1985	1962	1963
Year employed and time in current position	2006, in current position since 2006.	2012, in current position since 2015.	2017, in current position since 2017.	2010, in current position since 2021.	2019, in current position since 2019.	2013, in current position since 2013.
Education		Degree in Economics, Lund University.	Degree in Economics, Lund University.	Real estate business, Malmö University.	4 years construction engineering high school.	Degree in Economics, Lund University.
Other assignments	Board member and CEO of Olof Andersson Förvaltnings AB. Board member of Sydsvenska Hem AB, Förvaltnings AB Norra Vallgatan, Anbace Invest AB. Deputy Board member of Frukthandlarn På Limhamn AB.	Board member of Mahema Invest AB. Also holds a number of assignments within the Trianon Group.	Board member of Fastighetsägarna Syd, Board member of FC Rosengård.	Chair of the Board of SJK Invest AB.		
Previous experience	Chair of the Board and CEO of Sydgrönt AB. Board member of Copenhagen Malmö Port AB, Malmö Cityfastigheter AB, Malmö Citysamverkan AB and the På Limhamn economic association.	Business Controller Finnlines and other CFO assignments.	Various positions within MKB Fastighets AB, most recently as CSR manager.	Business controller, Fastighets AB Trianon. Manager, Fastighets AB Trianon.	Market Area Manager at Kungsleden Fastighets AB, Malmö.	CEO of Eurocorp AB and Head of Administration at MKB Fastighets AB.
Own and related party shareholdings 2022	2,890,984 class A shares and 40,085,943 class B shares, privately and via Olof Andersson Förvaltnings AB.	213,302 class B shares	133,702 class B shares	335,736 class B shares	0 shares	356,923 class B shares

Household finance



Lessons in finance and shares for summer workers

In conjunction with Swedbank, a course in household finance was held for Trianon's summer workers. The participants learned how to draw up a budget, how to pay bills and what to consider when saving. A basic course on shares was also organised, with information about investing and taking the next step in finance.

Financial information

The Board of Directors and the CEO of Fastighets AB Trianon (publ) ("Trianon" or "The Company"), corporate ID number 556183-0281, Registered Office in Malmö, Sweden, hereby submit the Annual Report and Consolidated Financial Statements for the financial year 1 January–31 December 2022. The Annual Report has been drawn up in SEK million. Numerical information in parentheses refers to the preceding year.

Operations

Information about the company's operations can be found on pages 6–7.

Financial targets

Information about the company's financial targets can be found on page 12.

Parent

The Parent reported net sales of SEK 72.7 million (64.1). The increase is attributable to increased letting in existing properties. The Parent owns 7 properties, and the rental income from these constitutes 90 percent (95) of total revenue. The operating loss was SEK -21.5 million (-27.7). The change in the value of derivatives amounted to SEK 121.4 million (1.8), and was due to changes in market interest rates. Realised gains in the swap portfolio amounted to SEK 142.7 million, which had a positive effect on changes in value and cash flow. Tax on the profit/loss for the period amounted to SEK -4.3 million (-23.3).

Organisation

Trianon's organisation consists of Group-wide functions as well as the management organisation and other administrative personnel. The management organisation is divided into local management offices in Lindängen, Hermodsdal, Limhamn, Rosengård, Entré and in central Malmö. Management is carried out through Trianon's own personnel, such as property managers, property technicians and caretakers.

Other information about staff, control and follow-up and equality and diversity can be found on pages 24–26.

Property portfolio

Information about the company's property portfolio can be found on page 33.

Sustainability

Information about the company's sustainability work can be found on pages 20–29.

Risks and risk management

Information about the company's risks and risk management can be found on pages 50–53.

Shares and ownership

Information about the company's shares and ownership can be found on pages 46–47.

Board of Directors

Under the Articles of Association, Trianon's Board of Directors shall consist of a minimum of three and a maximum of ten members, with a maximum of three deputies. Read more about the Board of Directors, its work and entitlement to remuneration on pages 54–57. No member of the Board has the right to remuneration on the termination of their appointment. The remuneration paid to the Board of Directors for 2022 is set out in Note 8.

Guidelines and remuneration of senior executives

"Senior executives" refers to the Executive Management Team. There is a presentation of the members on page 58. The full Board of Directors excluding the CEO draws up the principles for the remuneration and terms and conditions of employment for the Executive Management Team, and approves the remuneration and terms and conditions of employment of the CEO. The Annual General Meeting 2022 approved the following guidelines for remuneration and other terms and conditions of employment: Remuneration shall be on market terms and may consist of the following elements: fixed cash salary, retirement benefits and other benefits. In addition, the General Meeting may, for example, – and independent of these guidelines – approve share-related and share price-related remuneration. The fixed salary shall take account of the individual's areas of responsibility and experience. More information about remuneration can be found in Note 8 on page 78.

COMMENTS ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Net profit for the period

The profit for the period totalled SEK 171.4 (1,310.5) million of which SEK 171.4 (1,305.0) million is attributable to the Parent's shareholders, equivalent to earnings per share attributable to the Parent's shareholders of SEK 0.84 (8.41) before dilution and SEK 0.84 (8.39) after dilution. Return on equity was 3 percent (31).

Income

Rental income grew by 11 percent and amounted to SEK 688.3 million (618.1). The increase is attributable in particular to acquired properties and to letting. Net rentals for the period amounted to SEK 21.4 million (5.5). The rental value amounted to SEK 798.4 million (737.8). The economic occupancy rate was 95.2 percent (95.0).

Expenses

Property costs amounted to SEK -273.4 million (-227.6). The increase is due in particular to acquired properties. Operating costs were affected by the usual seasonal variations in respect of electricity and heating costs, the greatest impact of which is felt during the first and last quarters. The high price of electricity in the region has had a negative impact on property costs compared with the preceding year. Overall the high price of electricity in the region has had a negative impact on property costs of around SEK 15 million. The renovation work on apartments continued, with 151 (186) apartments being renovated during the period. The renovation of apartments is being carried out in connection with turnover in the residential portfolio, and the target is to renovate 200 apartments per year. The operating surplus increased by 11 percent to SEK 439.6 million (396.0). The operating surplus was 63 percent (64).

Profit from property management

Profit including changes in value and tax in associates and joint ventures was SEK 240.1 million (288.3). Central administrative expenses amounted to SEK -72.9 million (-55.5). Central administration was charged with SEK 8.4 million (3.7) attributable to actual and anticipated bad debts. The total number of employees was 88 (89) of whom 46 (50) were white-collar staff.

Financial expense for the period amounted to SEK -151.9 million (-90.2). The average interest rate for the period, including swap rates, was 2.2 percent (1.9). Financial expense rose by SEK 17 million as a result of increased borrowing in connection with acquisitions of investment properties and by SEK 44 million as a result of higher market interest rates. Interest expense for access rights (site-leasehold rights) amounted to SEK -6.1 million (-6.4).

The profit from property management for the year fell by 8 percent to SEK 231.8 million (253.1), of which the profit from property management from participations in associates amounted to SEK 14.0 million (6.5).

Changes in value

Changes in the value of investment properties amounted to SEK -234.5 million (1,311.2) for the period, of which SEK 113.8 million (0.0) represented changes in value related to projects. The changes in value are due primarily to increased required return, newly signed leases in the commercial portfolio and value changes in ongoing projects.

Around 90 percent of the property value has been valued externally, with the remainder being valued internally at the close of the period apart from some small project properties of minor value. The yield on the full property portfolio was 4.2 percent (3.9), and the yield on residential properties was 4.0 percent (3.6).

The change in the value of derivative financial instruments for the period amounted to SEK 196.4 million (66.5). In addition, the value of the derivative fell through the payment of swap interest of SEK -11.2 million (-30.0). Realised gains on the redemption of swaps in the swap portfolio amounted to SEK 142.7 million, which had a positive effect on changes in value and cash flow.

Tax

Reported tax for the period amounted to SEK -30.5 million (-355.5). Deferred tax attributable to investment properties totalled SEK 6.8 (-338.1) and changes in the value of derivative financial instruments to SEK -13.2 million (-19.7). Current tax totalled SEK -8.0 million (-9.3) and tax attributable to previous years totalled SEK -0.5 million (-3.0). The change in deferred tax assets was SEK -12.1 million (15.6) and in other taxes SEK -3.5 million (-1.0).

COMMENTS ON THE CONSOLIDATED BALANCE SHEET

Assets, investment properties

Trianon's property holdings consist of residential, public sector/community and commercial properties. The majority of the properties are in Malmö, but there are also properties in other municipalities, mainly in Skåne. The property portfolio consists of 154 properties with a total rentable area of 491,000 m², excluding 3,000 garage and parking spaces. Residential and public sector/community properties represent 85 percent of the property value. During the period, SEK 554.9 million (309.8) was invested in existing properties.

The investment consisted of ongoing apartment renovations in the residential portfolio, adaptations to meet tenants' requirements in business premises, redevelopment

ments including the Entré property Rolf 6, and new construction projects. The fair value of investment properties amounted to SEK 12,862.6 million (12,665.5). Around 90 percent of the property value has been valued externally, with the remaining properties being valued internally at the close of the period apart from some small project properties of minor value. The change in value of residential properties was -3 percent, public sector/community properties +4 percent and commercial properties -2 percent since the third quarter of 2022.

The yield on the full property portfolio was 4.2 percent (3.9), excluding project properties, and the yield on residential properties was 4.0 percent (3.6). Potential construction rights have not been valued for existing properties or have been valued at any costs paid.

Financing

Consolidated interest-bearing liabilities at the end of the period amounted to SEK 7,107.4 million (6,866.5). The increase consists primarily of investments in existing properties, new construction and the acquisition of properties. Bank overdraft facilities granted amounted to SEK 35 million (35) of which SEK 0 million (0) was utilised.

Interest-bearing liabilities include a bond loan of SEK 398.8 million (496.8) recognised net after the deduction of transaction costs. Trianon's fixed-interest period is around 0.5 years. The hedge ratio amounts to 17 percent of the outstanding loan portfolio. The derivative portfolio amounted to SEK 28.2 million (70.9) in liabilities and SEK 22.2 million (0.0) in receivables at the end of the period. Around SEK 4.6 billion of the company's loan portfolio was refinanced in 2022. Among other things, a sustainability-linked finance agreement has been signed for around SEK 1.9 billion. Credit commitment and approved bank financing are in place for the refinancing of outstanding bonds in 2023.

The capital tie-up period at the end of the year was 3.2 years (2.1).

The loan-to-value ratio was 54.6 percent (53.5). The loan-to-value ratio was positively affected by the redemption of the swap portfolio in the amount of SEK 142.7 million. Calculated on total assets, the loan-to-value ratio was around 50.9 percent.

COMMENTS ON CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity

Equity amounted to SEK 5,372.9 million (5,243.9), of which SEK 5,372.9 million (5,217.3) was attributable to shareholders in the Parent. After the acquisition of non-controlling interests in Signatur Fastigheter in 2022, non-controlling interests amounted to SEK 0.0 million (26.6). Dividends linked to the hybrid bond have reduced equity by SEK 39.8 million (35.3). Equity attributable to the Parent's shareholders has been affected by the acquisition of non-controlling interests of SEK -2.5 million (35.7). Net profit for the period has increased equity by SEK 171.4 million (1,305.0). The conversion of the convertible programme for staff increased equity by SEK 9.8 million (0.0). Equity per share amounted to SEK 34.11 (33.23), and to SEK 31.14 per share (30.60) after the deduction of equity attributable to the hybrid bonds. The equity/assets ratio was 38.9 percent (38.6) at the end of the period.

Hybrid capital

In November 2022, Trianon issued new subordinated sustainable hybrid bonds for a total of SEK 500 million with perpetual maturity and with the first ordinary redemption date three years after the issue date. The new bonds have a variable interest rate of Stibor 3m + 7 percent and are recognised as equity after the deduction of transaction costs. The bonds are listed on the Nasdaq Stockholm Sustainable Bond List and are linked to a framework for the sustainable financing of environmental and social

investments. Four of Trianon's larger owners subscribed to around 65 percent of the issue. In connection with the issue, a voluntary buyback offer was made for SEK 402 million of the outstanding sustainable hybrid bond issued in 2019. The remaining SEK 98 million is scheduled for redemption in April 2023, on the same terms of Stibor 3m + 7 percent.

COMMENTS ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flow for the period totalled SEK 2.6 million (-192.7). Cash flow was affected by investments in existing properties of SEK -554.9 million (-359.9), as well as acquisitions of SEK -7.7 million (-1,160.7).

Financing activities were affected by loans taken out on existing and acquired properties of SEK 523.9 million (1,424.1), the amortisation and repayment of loans of SEK -294.8 million (-792.6), the dividend on hybrid bonds of SEK -39.8 million (-35.2) and a dividend of SEK -78.5 million (-68.4). The cash flow from operating activities before changes in working capital totalled SEK 336.9 million (212.8) for the period, due to the acquisition of properties and realised interest rate swaps of SEK 142.7 million. Cash and cash equivalents at the end of the period totalled SEK 90.0 million (87.4).

Appropriation Amounts in SEK

Proposed appropriation of the Company's profit.

The following funds are at the disposal of the Annual General Meeting:

profit brought forward	624,541,724
share premium reserve	1,277,295,296
net profit for the year	98,394,135
	2,000,231,155
The Board of Directors proposes that:	
to be carried forward	2,000,231,155
	2,000,231,155

Consolidated financial statements

Consolidated statement of comprehensive income

SEK million	Note	01/01/2022 31/12/2022	01/01/2021 31/12/2021
	1-3, 31-36		
Rental income	4	688.3	618.1
Property costs	7	-273.4	-227.6
Operating profit from letting		414.9	390.5
Income from development properties		90.6	0.0
Expenses for development properties		-82.2	0.0
Operating profit from development properties	5	8.4	0.0
Other income	6	16.3	5.5
Operating profit		439.6	396.0
Central administration	7-8	-72.9	-55.5
Profit/loss from participations in associates and joint ventures	10	22.2	41.7
of which profit from property management		14.0	6.5
Financial income	11	9.2	2.7
Interest expense right of access (site-leasehold rights)	12	-6.1	-6.4
Financial expenses	13	-151.9	-90.2
Profit including changes in value and tax in associates and joint ventures		240.1	288.3
Profit from property management		231.8	253.1
Change in value, investment properties	17	-234.5	1,311.2
of which changes in value related to projects		113.8	0.0
Changes in value of derivatives	24	196.3	66.5
Profit/loss before tax		201.9	1,666.0
Tax on profit/loss for the year	15	-30.5	-355.5
Net profit for the period		171.4	1,310.5
Other comprehensive income		0.0	0.0
Total comprehensive income for the year		171.4	1,310.5
Comprehensive income for the year attributable to:			
The Parent's shareholders		171.4	1,305.0
Non-controlling interests		0.0	5.5
Profit for the year attributable to the Parent's shareholders SEK per share before dilution ¹	16	0.84	8.41
Profit for the year attributable to the Parent's shareholders SEK per share after dilution ²		0.84	8.39
Average number of outstanding shares before dilution, thousand ¹		157,127.6	150,992.8
Average number of outstanding shares after dilution, thousand ²		157,324.0	151,341.5

¹ The average number of shares is a weighted average for the period taking into account the new issue of 285,990 shares on 3 August 2021, the new issue of 1,500,000 shares on 22 November 2021 and the issue through conversion of 407,690 shares on 20 September 2022 as well as the conversion of 92,307 shares on 6 December 2022.

² Dilution in respect of the 3-year convertible loan which falls due in 2022, converted at the end of the period.

Earnings per share and the number of shares for earlier periods have been recalculated taking into account the 4:1 share split on 27 May 2022.

Consolidated balance sheet

SEK million	Note	31/12/2022	31/12/2021
	1-3, 30-36		
ASSETS			
<i>Property, plant and equipment</i>			
Investment properties	17	12,862.6	12,665.5
Right of access (site-leasehold rights)	12	181.4	163.6
Machinery and equipment	18	3.5	7.3
Total property, plant and equipment		13,047.5	12,836.4
<i>Financial non-current assets</i>			
Participations in associates and joint ventures	20	475.2	244.1
Receivables at associates and joint ventures	33	34.6	161.7
Other non-current receivables		12.8	17.1
Total financial non-current assets		522.6	422.9
Deferred tax assets	25	35.5	55.5
Total non-current assets		13,605.6	13,314.8
<i>Current assets</i>			
Accounts receivable	3	17.3	14.3
Current tax asset		0.1	0.5
Receivables at associates and joint ventures		16.7	107.5
Derivative receivables	24	22.2	0.0
Other receivables		22.8	32.5
Prepaid expenses and accrued income	21	22.9	24.2
		102.1	179.0
Cash and cash equivalents		90.0	87.4
Total current assets		192.1	266.4
TOTAL ASSETS		13,797.7	13,581.2

SEK million	Note	31/12/2022	31/12/2021
	1-3, 30-36		
EQUITY AND LIABILITIES			
<i>Equity</i>	22		
Share capital		98.4	98.1
Capital contribution/Hybrid bond		467.9	412.5
Other contributed capital		1 315.2	1,305.6
Profit brought forward including net profit for the year		3,491.4	3,401.1
Total equity attributable to Parent's shareholders		5,372.9	5,217.3
Non-controlling interests		0.0	26.6
Total equity		5,372.9	5,243.9
<i>Non-current liabilities</i>	27.28		
Interest-bearing liabilities	23.24	4,127.0	3,454.2
Other non-current liabilities	29	4.5	48.1
Lease liabilities	12	181.4	163.6
Derivative liabilities	24	28.2	70.9
Deferred tax liabilities	25	855.2	857.3
Total non-current liabilities		5,196.3	4,594.1
<i>Current liabilities</i>			
Interest-bearing liabilities	23.24	2,980.4	3,412.4
Accounts payable		89.5	74.3
Current tax liability		9.5	15.8
Sales to associates and joint ventures		0.0	107.5
Other liabilities		29.6	26.3
Accrued costs and prepaid income	26	119.5	106.9
Total current liabilities		3 228.5	3,743.2
TOTAL EQUITY AND LIABILITIES		13,797.7	13,581.2

Consolidated statement of changes in equity

SEK million	Share capital	Capital contribution/ Hybrid bond	Other contributed capital	Profit brought forward including net profit for the year	Equity attributable to Parent's shareholders	Equity attributable to non-controlling interests	Total Equity at the end of the year
Opening equity 1 January 2021	93.7	447.8	863.0	2,127.8	3,532.3	102.9	3,635.2
Net profit for the period				1,305.0	1,305.0	5.5	1,310.5
Other comprehensive income					0.0		0.0
Total comprehensive income for the year				1,305.0	1,305.0	5.5	1,310.5
New share issue	4.4		442.6 ¹		447.0		447.0
Dividend, hybrid bond		-35.3			-35.3		-35.3
Dividend, shares				-67.4	-67.4	-1.0	-68.4
Non-controlling interests acquired				35.7	35.7	-80.9	-45.2
Total transactions with owners recognised directly against equity	4.4	-35.3	442.6	-31.7	380.0	-81.9	298.1
Closing equity 31 December 2021	98.1	412.5	1,305.6	3,401.1	5,217.3	26.6	5,243.9
Opening equity 1 January 2022	98.1	412.5	1,305.6	3,401.1	5,217.3	26.6	5,243.9
Net profit for the period				171.4	171.4	0.0	171.4
Other comprehensive income					0.0		0.0
Total comprehensive income for the year				171.4	171.4	0.0	171.4
New share issue	0.3		9.5		9.8		9.8
Issue of hybrid bond		497.1			497.1		497.1
Buyback of hybrid bond		-402.0			-402.0		-402.0
Dividend, hybrid bond		-39.8			-39.8		-39.8
Dividend, shares				-78.5	-78.5		-78.5
Non-controlling interests acquired				-2.5	-2.5	-26.6	-29.1
Total transactions with owners recognised directly against equity	0.3	55.3	9.5	-80.9	-15.8	-26.6	-42.4
Closing equity 31 December 2022	98.4	467.8	1,315.1	3,491.4	5,372.9	0.0	5,372.9

¹ Of which transaction costs SEK 10.5 million.

Consolidated statement of cash flows

SEK million	Note	2022	2021
Cash flow from operating activities	30		
Net operating income		439.6	396.0
Central administration		-72.9	-55.5
Net financial income/expense paid		-23.1	-126.0
Non-cash items		-6.2	1.3
Income tax paid		-0.5	-3.0
Cash flow from operating activities before changes in operating receivables and operating liabilities		336.9	212.8
Changes from operating receivables and operating liabilities			
Changes in operating receivables		137.0	22.5
Changes in operating liabilities		-32.7	26.4
Cash flow from operating activities		441.2	261.7
Investing activities			
Investment in investment properties		-554.9	-359.9
Acquisitions of investment properties via subsidiaries		-7.7	-868.1
Other investments in property, plant and equipment		-0.5	0.0
Acquisition of associates		0.0	-292.6
Sale of investment property via subsidiary		0.0	221.9
Sales of subsidiaries to associates and joint ventures		36.2	364.9
Investment receivables, associates and joint ventures		-91.6	-22.6
Amortisation of financial non-current assets		2.9	0.0
Cash flow from investing activities		-615.6	-956.4
Financing activities			
Loans raised		523.9	1,424.1
Amortisation of loans		-117.6	-132.6
Repayment of other loans and deposits		-177.1	-660.0
Acquisition of shares from non-controlling interest		-29.0	-413.0
Issues		0.0	387.0
Hybrid bond, issue		497.1	0.0
Hybrid bond, buyback		-402.0	0.0
Hybrid bond, dividend		-39.8	-35.2
Dividends paid		-78.5	-68.4
Cash flow from financing activities		177.0	501.9
Cash flow for the year		2.6	-192.7
Cash and cash equivalents at start of the year		87.4	280.1
Cash and cash equivalents at end of the year		90.0	87.4

The Parent's financial statements

The Parent's income statement

SEK million	Note	2022	2021
<i>Operating income</i>			
Net sales	4	72.7	64.1
Other operating income	6	8.2	3.2
Total operating income		80.9	67.3
<i>Operating expenses</i>			
Property costs	7	-32.1	-27.5
Other external costs	9	-22.9	-16.2
Employee benefit expense	8	-14.8	-11.6
Depreciation of property, plant and equipment		-32.6	-39.7
Total operating expense		-102.4	-95.0
Operating profit/loss		-21.5	-27.7
<i>Financial items</i>			
Profit/loss from participations in Group companies		-14.8	334.1
Profit/loss from participations in associates and joint ventures	10	-10.0	-16.5
Interest income and similar profit/loss items	11	55.6	50.6
Interest expense and similar profit/loss items	13	-83.8	-50.9
Changes in value of derivatives	24	121.4	1.8
Total financial items		68.4	319.1
Profit/loss after financial items		46.9	291.3
Appropriations	14	55.7	38.5
Profit/loss before tax		102.7	329.8
Tax on profit/loss for the year	15	-4.3	-23.3
Net profit for the period		98.4	306.5

Statement of comprehensive income for the Parent

SEK million	Note	2022	2021
Net profit for the period		98.4	306.5
Other comprehensive income		0.0	0.0
Total other comprehensive income		0.0	0.0
Comprehensive income for the year		98.4	306.5

The Parent's balance sheet

SEK million	Note	31/12/2022	31/12/2021
ASSETS	31		
<i>Non-current assets</i>			
<i>Property, plant and equipment</i>			
Land and buildings	17	848.3	696.9
Machinery and equipment	18	0.2	0.4
Total property, plant and equipment		848.5	697.2
<i>Financial non-current assets</i>			
Participations in Group companies	19	1,409.9	1,426.5
Receivables from Group companies	33	1,367.5	1,672.3
Participations in associates and joint ventures	20	324.5	116.5
Receivables from associates and joint ventures	31	34.6	161.7
Deferred tax assets	25	6.6	23.5
Other non-current receivables		2.8	1.6
Total financial non-current assets		3,145.9	3,402.1
Total non-current assets		3,994.4	4,099.3
<i>Current assets</i>			
<i>Current receivables</i>			
Accounts receivable	3	13.4	6.2
Receivables from Group companies		381.3	40.9
Other receivables		20.6	30.8
Other receivables, associates and joint ventures		16.7	107.5
Prepaid expenses and accrued income	21	14.3	14.3
Total current assets		446.3	199.7
Cash and bank balances		57.9	14.9
Total current assets		504.3	214.6
TOTAL ASSETS		4,498.7	4,313.9

SEK million	Note	31/12/2022	31/12/2021
EQUITY AND LIABILITIES	31		
<i>Equity</i>	22		
<i>Restricted equity</i>			
Share capital		98.4	98.1
Revaluation reserve		9.8	9.9
Statutory reserve		21.4	21.4
Total restricted equity		129.6	129.6
<i>Non-restricted equity</i>			
Share premium reserve		1,277.4	1,267.9
Profit carried forward		624.4	340.9
Net profit for the period		98.4	306.5
Total non-restricted equity		2,000.2	1,915.3
Total equity		2,129.8	2,044.8
<i>Provisions</i>			
Deferred taxes	25	12.8	25.8
<i>Non-current liabilities</i>	27.28		
Bond loan	23	0.0	496.8
Liabilities to credit institutions	23.24	445.3	410.5
Derivative financial instruments	24	28.2	70.9
Liabilities to Group companies	23.24	957.1	1,042.0
Total non-current liabilities		1,430.6	2,020.2
<i>Current liabilities</i>			
Liabilities to credit institutions	23.24	73.1	40.3
Bond loan	23	398.8	0.0
Accounts payable		30.9	35.5
Liabilities to Group companies		405.4	3.8
Other liabilities		2.0	14.9
Other liabilities, associates and joint ventures		0.0	107.5
Accrued costs and prepaid income	26	15.3	21.1
Total current liabilities		925.4	223.1
TOTAL EQUITY AND LIABILITIES		4,498.7	4,313.9

The Parent's statement of changes in equity

SEK million	Restricted equity			Non-restricted equity			Total
	Share capital	Revaluation reserve	Statutory reserve	Share premium reserve	Profit carried forward	Net profit for the period	
Opening equity 1 January 2021	93.7	9.9	21.4	825.2	444.1	-0.4	1,394.0
New share issue	4.4			442.6 ¹			447.0
Dividend, hybrid bond					-35.3		-35.3
Appropriation of profit of preceding year					-0.4	0.4	0.0
Dividend					-67.4		-67.4
Switch between non-restricted and restricted		-0.1					-0.1
Net profit for the period						306.5	306.5
Closing equity 31 December 2021	98.1	9.9	21.4	1,267.9	340.9	306.5	2,044.8
Opening equity 1 January 2022	98.1	9.9	21.4	1,267.9	340.9	306.5	2,044.8
New share issue	0.3			9.5			9.8
Issue of hybrid bond					497.1		497.1
Buyback of hybrid bond					-402.0		-402.0
Dividend, hybrid bond					-39.8		-39.8
Appropriation of profit of preceding year					306.5	-306.5	0.0
Dividend					-78.5		-78.5
Switch between non-restricted and restricted		-0.2			0.2		0.0
Net profit for the period						98.4	98.4
Closing equity 31 December 2022	98.4	9.7	21.4	1,277.4	624.4	98.4	2,129.8

¹ Of which transaction costs SEK 10.5 million.

The Parent's statement of cash flows

SEK million	Note	2022	2021
Cash flow from operating activities	30		
Operating profit/loss		-21.5	-27.7
Adjustments for items not included in cash flow		32.6	39.7
Interest received		142.9	1.0
Interest paid		-43.4	-50.6
Income tax paid		0.0	-2.5
Cash flow from operating activities before changes in operating receivables and operating liabilities		110.6	-40.1
Changes from operating receivables and operating liabilities			
Changes in operating receivables		-13.0	-177.9
Changes in operating liabilities		-6.0	131.3
Cash flow from operating activities		91.6	-86.7
Investing activities			
Acquisition of investment properties		-182.9	-99.0
Acquisition of shares in subsidiaries		-43.8	-711.9
Sale of subsidiary		122.3	551.9
Acquisition of participations in associates and joint ventures		0.0	-292.0
Change in other non-current receivables		-1.2	0.0
Investment receivables, associates and joint ventures		-91.6	-22.9
Additional receivables, Group balances		2.8	-173.4
Cash flow from investing activities		-194.4	-747.3

SEK million	Note	2022	2021
Financing activities			
New share issue		0.0	386.9
Hybrid bond, issue		497.1	0.0
Hybrid bond, buyback		-402.0	0.0
Hybrid bond, dividend		-39.8	-35.3
Loans raised		134.2	711.2
Repayment of loans		-158.0	-546.0
Amortisation of loans		-10.7	-10.5
Additional liabilities, Group balances		203.4	173.0
Dividends received		0.0	1.0
Dividends paid		-78.5	-67.4
Cash flow from financing activities		145.7	612.9
Cash flow for the year		42.9	-221.1
Cash and cash equivalents at start of the year		14.9	235.9
Cash and cash equivalents at end of the year		57.9	14.9

Notes

NOTE 1 General information

Fastighets AB Trianon (publ) is a public limited company registered in Sweden. The Company's registered office is in Malmö. The Parent's class B shares have been listed on Nasdaq Stockholm, in the Mid Cap segment, since 17 December 2020.

The Company has three bonds listed on Nasdaq Stockholm, of which two are sustainable hybrid bonds listed on the Sustainable Bond List.

Fastighets AB Trianon's business is to own, manage, develop and build residential and commercial premises in Malmö and its environs. The Consolidated Financial Statements for financial year 2022 were approved by the Board of Directors on 24 March 2023, and a proposal that they be adopted will be laid before the Annual General Meeting on 11 May 2023.

NOTE 2 Accounting policies

ACCOUNTING AND VALUATION POLICIES

The financial statements have been drawn up using accounting policies which follow from International Financial Reporting Standards (IFRS) as adopted by the EU, and their interpretation (IFRIC).

Furthermore, the Group applies the Swedish Financial Reporting Board's (RFR) recommendation RFR 1 Supplementary Accounting Rules for Groups, which sets out the additions, over and above the IFRS disclosures, required under the provisions of the Swedish Annual Accounts Act.

The Parent applies the Swedish Annual Accounts Act, the Swedish Financial Reporting Board's recommendation RFR 2 (Financial reports in legal entities) and statements from the Swedish Financial Reporting Board. The Parent's accounting conforms to the Group's accounting policies with the exception of what is stated below in the section on the Parent's accounting policies.

New standards, amendments and interpretations of existing standards which came into force during the financial year

The new and amended standards approved by the EU, as well as the interpretation statements from the IFRS Interpretations Committee are not currently considered to affect the Company's results or financial position to any significant extent.

New standards, amendments and interpretations of existing standards which have not been applied in advance

On the preparation of the Annual Report, as at 31

December 2022, there are standards and interpretations which have been announced but have not yet come into force. None of these revised or new standards are considered to have any significant impact on the Company's financial statements.

Basis of preparation of the financial statements

The Parent's functional currency is the Swedish Krona (SEK), which is also the Group's presentation currency. All amounts are in SEK million unless otherwise stated.

Rounding has been applied to certain amounts, and this may mean that the tables and calculations do not always add up.

In the annual report, items have been valued at cost, apart from the valuation of investment properties and certain financial instruments for which valuation is at fair value.

Critical accounting estimates and assumptions

The preparation of financial statements in accordance with generally accepted accounting principles requires the Executive Management Team to make judgements and assumptions which affect the values and information contained in the financial statements. Actual outcomes may differ from these judgements. The particular area in which estimates and assumptions could involve a risk of adjustments of the carrying amounts of assets and liabilities in future financial years is the valuation of investment properties. The judgements made here may have a significant impact on the Group's results and financial position. Valuation requires a judgement of future cash flow and the determination of the discount factor (required return). The assumptions and judgements made are set out in Note 17.

Important accounting policies applied

The accounting policies set out below have been applied consistently to all periods presented in the Consolidated Financial Statements.

Segment reporting

An operating segment is a part of a Group which carries on operations from which it can generate income and incur costs, and for which independent financial information is available. The Group's operations are divided into operating segments which are monitored by the Executive Management Team. These segments are residential, public sector/community and commercial. The Executive Management Team monitors rental income, operating costs, net operating profit, surplus ratio and fair value. For further information, please see Note 34.

Consolidated Financial Statements

Subsidiaries are all companies over which the Group has control.

The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect

those returns through its power over the entity. Subsidiaries are included in the Consolidated Financial Statements from and including the date on which control is transferred to the Group. They are deconsolidated from and including the date that control ceases. Only that part of the subsidiary's equity which is accrued after the date on which control is obtained is included in consolidated equity.

Acquisitions can be classified either as business combinations or as asset acquisitions. The classification of an acquisition as a business combination or an asset acquisition is based on an individual assessment which must be made for each individual transaction.

Acquisitions

When an operation is acquired, a judgement is made on how the acquisition is to be treated in the financial statements on the basis of the following criteria: the presence of employees and the complexity of internal processes. In addition, the number of operations and the presence of agreements with various degrees of complexity. A high presence of these criteria means that the acquisition is classified as a business combination, and a low presence as an asset acquisition. As an alternative to this assessment, the Group may decide to make use of a concentration test. Trianon decided to apply this test after 1 January 2020. This test means that Trianon makes a simplified judgement as to whether all of the fair value of the gross assets acquired can be attributed to a single identifiable asset (a property) or a group of similar identifiable assets (properties). In the event that the test shows that, in all material respects, all of the fair value is attributable to a single identifiable asset (a property) or a group of similar assets (properties), Trianon judges that the acquisition shall be classified as an asset acquisition.

During the current financial year, all acquisitions have been classified as asset acquisitions.

An important difference in accounting for asset acquisitions, as against business combinations, is that any deferred tax attributable to the surplus value of the property is not initially recognised on the balance sheet without any rebate reducing the cost of the property (i.e. acquisition expenditure including directly attributable expenditure as well as any deducted rebate for deferred tax). This means that changes in value will be affected by the tax rebate during subsequent valuations. The full deferred tax is recognised in temporary differences which arise after the acquisition. Acquired investment properties are recognised on the subsequent reporting date at fair value, which may differ from cost.

Other consolidation principles

Intra-Group transactions and balance sheet items, as well as unrealised gains and losses on transactions between Group companies are eliminated. The accounting policies for subsidiaries shall be changed, where appropriate, to guarantee a consistent application of the Group's policies. From and including the acquisition date, the income,

costs, identifiable assets and liabilities of the acquired subsidiary are included in the Consolidated Financial Statements, along with any goodwill arising.

Appropriations and untaxed reserves

Tax legislation in Sweden gives the option of deferring tax payments through a provision to untaxed reserves in the balance sheet via the appropriations item in the income statement. The rules in the legislation relating to depreciation enable depreciation over and above depreciation according to plan. Appropriations and untaxed reserves are not, however, recognised in the Consolidated Financial Statements. In the consolidated balance sheet, the untaxed reserves are divided into deferred tax liability and equity. Equity is then eliminated so that only equity accrued after the acquisition date remains. In the consolidated income statement, provisions to or liquidation of untaxed reserves are divided between deferred tax and net profit for the year.

Associates and joint arrangements

Associates are all companies in which the Group has influence but not control, which generally applies to shareholdings which comprise between 20 percent and 50 percent of the votes. Holdings in associates are recognised in accordance with the equity method. In applying the equity method, the investment is valued initially at cost, and the carrying amount is then increased or decreased to take account of the Group's participation in the associate's profit or loss after the acquisition date. The Group's carrying amount for holdings in associates includes surplus value identified on the acquisition. If the share of ownership in an associate is reduced, but the investment continues to be an associate, only a proportional amount of the profit or loss which was previously recognised in other comprehensive income is reclassified to profit or loss.

If the Group's share of losses in an associate exceeds the holding in that associate, the Group does not recognise any additional losses unless the Group has assumed obligations on the company's behalf. The Group's share of profit/loss and other comprehensive income in an associate is included in the consolidated profit or loss and other comprehensive income. Where unrealised losses are eliminated, the underlying asset is subjected to an impairment test. An assessment is also made on each reporting date as to whether there is an impairment need for the investment in an associate. If this is the case, the impairment amount is calculated as equivalent to the difference between the recoverable amount and the carrying amount.

Companies in which Trianon has a long-term shareholder involvement, and, jointly with one or more partners, has control, are divided into joint ventures or joint operations depending on whether the Group has a direct right to assets and liabilities (joint operation) or not (joint venture). The assessment is based on the structure of the investment, the legal form and contractual

agreements, as well as other factors and circumstances. Joint ventures are recognised in consolidated profit or loss and balance sheets in accordance with the equity method, which means that Trianon's share of the profit/loss is recognised annually in the consolidated statement of comprehensive income. The value of the shares with the participation in profit/loss is recognised in the balance sheet, along with any dividends.

Changes in the shareholding in any subsidiary without change in control

Transactions with non-controlling interests which do not lead to loss of control are recognised as equity transactions, i.e. as transactions with the owners in their capacity as owners. In the event of an acquisition from non-controlling interests, the difference between the fair value of the consideration paid and the proportion of the carrying amount of the subsidiary's net assets acquired is recognised in equity. Profits and losses on sales to non-controlling interests are also recognised in equity.

Statement of cash flows

The statement of cash flows is prepared using the indirect method. The statement of cash flows includes only transactions which lead to payment inwards or outwards. Cash and cash equivalents in the statement of cash flows are consistent with the definition of cash and cash equivalents in the balance sheet.

INCOME

Rental income

The Group is the lessor in respect of all leases for premises and residential units, as well as garage and parking spaces. All leases are classified as operating leases, which means that the rental income is recognised as income in profit and loss on a straight-line basis over the period of the lease.

Rental income is recognised only when the significant risks and rewards have been transferred to the counterparty. Rental income including supplements is notified in advance, and the rent is accrued on a straight-line basis so that only that part of the rent which accrues to the period is recognised as income. The income is recognised at the fair value of what has been received or is expected to be received with a deduction for rebates and vacant areas. In the event that the lease provides for reduced rent over a certain period, this is accrued on a straight-line basis over the relevant contract period. Compensation paid by tenants in connection with early departure is recognised as income when the contractual relationship with the tenant ceases and no obligations remain, which is normally when the tenant moves out.

Rental income and rent rebates are recognised on a straight-line basis in profit and loss based on the terms and conditions of the rental agreements. Rents paid in advance are recognised as prepaid rental income. In the event that a tenant is granted a reduced rent for a certain period and higher rent during another period, this

is accrued under the respective excess rent on a straight-line basis over the term of the lease unless the rent reduction is not dependent on successive occupancy or similar. Income from early redemption of a lease is recognised as income in the period in which the payment is received, in the event that no additional performance is required on Trianon's part.

Income from compensation in respect of tenant adaptations may be invoiced on one occasion or the equivalent income in the form of increased rent over all or parts of the rental period. Irrespective of payment method, the income for this constitutes one rent and is recognised as a rental income in accordance with IFRS 16.

The rent notifications also include supplements such as electricity, heating and property tax. An analysis has been carried out on revenue recognition on the basis of IFRS 15 Revenue from Contracts with Customers in which Trianon investigated the delimitation between revenue recognition under IFRS 16 Leases and IFRS 15 Revenue from Contracts with Customers.

An assessment has been made that the proportion of services constitutes an insignificant part and, accordingly, there is no separation of income for services for recognition under IFRS 15. This income is recognised in accordance with IFRS 16, which means that the income for services is accrued on the same principles as rental income. It is our judgement that this does not lead to significant differences in amount or date for how the income has been recognised under IFRS 15.

Invoiced property tax is recognised as income in the period to which it refers.

Construction contracts

IFRS 15 is applied to the recognition of revenue from construction contracts. A construction contract for the construction of a building normally consists of a number of performance obligations but in the context of the contract, the buyer expects to take possession of the building ordered (known as turnkey construction). Trianon therefore considers that all individual performance obligations should be combined into a single performance obligation, i.e. to provide possession of the building specified by the customer. The transaction price is fixed but any deductions in the event of delays or similar conditions are taken into account. Such variable revenue or charges may affect the transaction price and an initial assessment based on probability is carried out in order to establish the transaction price. No allocation of the transaction price needs to be made if the contract constitutes a combined performance obligation, but if there is more than one performance obligation then an allocation is made on the basis of stand-alone selling prices. The point in time at which revenue is recognised is determined by making an initial assessment against the criteria for whether control is transferred over time. As the Group is contractually obliged to deliver a specific building and is entitled to payment during the course of the project, the assessment is that the revenue should be

recognised over time, in other words in accordance with percentage of completion using an input method where costs constitute the measure of progress. If, on the other hand, the Group makes the assessment that there is no right to payment, this means that the revenue is recognised at a point in time, in other words on completion. It may also be possible for the company's performance to create or enhance an asset (performance of the contract) that the customer controls as the asset is created or enhanced, which also results in the revenue being recognised over time, using the same measurement method. When determining the point in time of revenue recognition, the requirements for control in IFRS 15 must be taken into account, as well as the indicators for the transfer of control. An assessment is made individually for each construction contract based on the particular facts and circumstances of the contract.

Other income

Other income consists of income from the early termination of leases, income from property management by associates and other income such as insurance income etc. Other income is recognised in the period to which it refers.

Income from property sales

Profits and losses from property sales are normally recognised on the completion date.

State aid

State aid is an action taken by the state with the aim of providing a financial benefit which fulfils certain criteria. Government grants are provided in the form of sick pay cost and wage subsidies for individual companies in the Group. Sick pay costs are received annually and recognised as income on the same date. Wage subsidies are received monthly and recognised as income in the period to which they refer.

Investment aid for investments in investment properties reduces the cost of property, plant and equipment.

OPERATING COSTS

Leases

On the date on which a new lease is signed, a right of access asset is recognised along with a lease liability in the balance sheet. Cost consists of the discounted remaining lease charges for non-cancellable lease periods. Possible extension periods are included if the Group is reasonably sure that these will be utilised. The Company's marginal loan interest rate is used in discounting. This is currently between 3.25 and 3.35 percent. The lease may be changed during the period of the lease, at which the lease liability and the right of access asset are revalued. Lease charges are divided between amortising the lease liability and the payment of interest. The Group's significant leases consist of site-leasehold contracts. Given that current leases are site-leasehold in which the period of use is considered to be perpet-

ual, the lease charge is recognised in its entirety as an interest expense. The Company applies the relief rules in respect of leases in which the underlying asset has a low value, as well as to short-term leases. These leases are recognised as an expense in the period in which the use takes place.

Property costs

Property costs consist of costs such as operation, care, letting, property tax, administration and maintenance of the property holding.

Central administration

Central administration consists of costs for Group-wide functions, as well as the ownership of the Group's subsidiaries. Bad debts are also included in central administration.

Employee benefits

All pension plans at Trianon are recognised as defined contribution. For defined contribution pension plans, the Company pays contributions to public sector or private sector administered pension insurance plans on a mandatory, contractual or voluntary basis.. Trianon has no additional payment obligations when the contributions have been paid in full. The contributions are recognised as employee benefit expense when they fall due for payment.

Prepaid fees are recognised as an asset insofar as cash repayments or reductions in future payments may benefit Trianon. A cost for remuneration in connection with the termination of personnel is only recognised if the Company is demonstrably obligated by a formally detailed plan, without realistic possibility of withdrawal, to terminate employment before the normal retirement date. When remuneration is offered to encourage voluntary redundancy, a cost is recognised if it is probable that the offer will be accepted, and the number of employees who will accept the offer can be estimated reliably.

PROFIT/LOSS FROM PARTICIPATIONS IN ASSOCIATES AND JOINT VENTURES

Consists of the Group's share of the profit/loss of companies which are classified as associates and joint ventures in accordance with the definition above. The profit/loss from associates and joint ventures which hold investment properties includes changes in the fair value of the property holding.

FINANCIAL INCOME AND EXPENSE

Interest income is accrued over its term. Dividends on shares are recognised when the shareholder's right to receive payment is considered to be assured.

Both interest income and interest expense are recognised in accordance with the effective interest method.

Loan expenses directly attributable to major new construction projects are capitalised during the construction period. Mortgages taken out in connection with new

construction are not recognised as an expense but are capitalised as a property investment.

Changes in value in respect of derivative financial instruments which are used in financing activities are recognised as changes in value under a separate heading in profit and loss.

TAX

The recognition of income tax includes current tax as well as deferred tax. Income taxes are recognised in the net profit for the year unless the underlying transaction is recognised in other comprehensive income or in equity, in which case the associated tax effect is recognised in other comprehensive income or in equity.

Deferred tax is calculated using the balance sheet method on all significant temporary differences. A temporary difference arises when the carrying amount of an asset or liability differs from the tax value.

The valuation of deferred tax is based on how the carrying amounts of the underlying assets or liabilities are expected to be realised or settled. The carrying amount of the Group's investment properties is considered to be realised through sale at the end of use. The tax rate on the profit is that which would apply to a direct sale of the property which is recognised in the consolidated report of financial position irrespective of whether the Group would structure the sale via the sale of a subsidiary, which could involve a different tax rate. The deferred tax is then calculated on the basis of the respective temporary differences and the tax consequences arising from recovery through sale.

Deferred tax is calculated using the tax rate in force or announced on the reporting date and which is expected to apply when the deferred tax asset concerned is realised or when the deferred tax liability is settled. A tax rate of 20.6 percent is used in calculating deferred tax.

Deferred tax assets are recognised insofar as it is probable that a future surplus will arise against which the temporary differences can be utilised. Deferred tax assets and tax liabilities are offset when they are attributable to income tax which is charged by the same authority and when the Group intends to settle the tax at a net amount.

INVESTMENT PROPERTIES

The Group's properties are held for the purpose of generating rental income and appreciation in value. All of Trianon's properties are classified as investment properties. Investment properties are recognised at fair value on the reporting date. Fair value is determined by assessing the market value of each individual valuation item. The valuation model is based on a long-term valuation of the yield on the basis of the present value of future payment flows with individual required returns per property depending on the analysis of transactions carried out and the market position of the property.

The Group's policy is to value all properties at fair value using independent external valuers who hold recognised and relevant qualifications. Forum Fastighetsekonomi

AB, Croisette Real Estate Partner, Malmöbryggan Fastighetsekonomi AB and Newsec Advice AB have been engaged as external valuers. All of these are independent consulting companies with registered valuers. Valuations were carried out most recently in December 2022. Around 90 percent of the total property value has been valued externally at the end of the financial year, with the remaining portion valued internally at the reporting date.

Building rights which have not gone through the planning process or building rights not yet taken into possession have not been valued.

Investment properties in associates or joint ventures are valued in a corresponding manner.

For further information on the valuation of investment properties, please see Note 17.

Additional expenditure is added to the carrying amount only if it is probable that future economic benefits linked to the asset will accrue to the Company, and the cost can be estimated reliably. All other additional expenditure is recognised as an expense in the period in which it arises. Repairs are recognised as an expense when the expenditure arises. The decisive factor in judging when an additional expenditure is added to the carrying amount is whether the expenditure refers to the replacement of identified components, or parts thereof, at which such expenditure is capitalised. In the event that a new component is produced, the expenditure is added to the carrying amount. Loan expenditure directly attributable to the purchase, construction or production of substantial new construction, extension or renovation of an asset, and which takes a significant amount of time to complete for the intended use or sale is included in the cost of the asset. Capitalisation of loan expenses is carried out on condition that it is probable that they will lead to future economic benefits and that the costs can be measured reliably.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recognised as an asset in the balance sheet if it is probable that future economic benefits will flow to Trianon and that the cost of the asset can be estimated reliably. Property, plant and equipment, both owned and leased, is recognised in the Group at cost after the deduction of accumulated depreciation and any depreciation. Cost includes the consideration as well as expenses directly attributable to the asset.

Additional expenditure is added to the cost only if it is probable that future economic benefits linked to the asset will accrue to the Company, and the cost can be estimated reliably. All other additional expenditure is recognised as an expense in the period in which it arises. Any undepreciated carrying amount on replaceable components, or parts of components, is discarded and recognised as an expense in connection with replacement.

Repairs are recognised as an expense on a continuous basis. Depreciation is applied on a straight-line basis over

the estimated useful life of the asset from and including the year in which the asset is capitalised. Depreciation according to plan is based on the original cost less estimated residual value. Impairment is applied if the recoverable amount is less than the carrying amount. The residual values, useful lives and depreciation method of the assets are reviewed at the end of each financial year and adjusted forwards if necessary at the end of each reporting period.

The useful life and residual value are assessed on each reporting date and adjusted if necessary. Depreciation is based on the following useful lives:

- Equipment, tools, fixtures and fittings; 5–10 years

Impairment of property, plant and equipment

Impairment is applied when the carrying amount exceeds the recoverable amount. An assessment is made for each individual asset. Impairment is recognised in profit and loss. The recoverable amount is the higher of the fair value less costs to sell and its value in use. In calculating value in use, estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market judgements of the time value of money and the risks associated with the asset.

FINANCIAL INSTRUMENTS

A financial asset or financial liability is recognised in the balance sheet when the Company becomes a party in accordance with the contractual terms and conditions of the instrument. Rent receivables and accounts receivable are recognised in the balance sheet when an invoice has been sent and the Company's right to payment is unconditional and control has been transferred to the customer. Liabilities are recognised when the counterparty has performed and a contractual obligation exists to pay, even if an invoice has not yet been received. Accounts payable are recognised when an invoice is received.

Financial instruments which are recognised in the balance sheet include the assets' holding of cash and cash equivalents, accounts receivable and other receivables. Recognition of the Group's financial liabilities consists primarily of interest-bearing liabilities, interest rate derivatives recognised at fair value through profit and loss and other accounts payable. The Group does not apply any hedge accounting.

A financial asset is derecognised (in whole or in part) when the rights in the contract have been realised or have expired, or when the Group no longer has control over the asset. The same applies to a part of a financial asset. A financial liability is derecognised (in whole or in part) when the obligation in the contract has been fulfilled or otherwise extinguished. The same applies to a part of a financial liability. A replacement of a debt instrument between an existing borrower and lender on terms which are essentially different shall be recognised as an extinguishing of the old financial liability and the recognition of a new financial liability. Correspondingly, a significant modification of the terms and conditions of

a financial liability or part of a financial liability (irrespective of whether it is attributable to financial difficulties on the part of the borrower or not) is recognised as an extinguishing of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability (or part of a financial liability) which has been extinguished or transferred to another party and a replacement which has been paid, including transferred assets which are not cash or assumed liabilities, is recognised in profit and loss.

If a company buys back a part of a financial liability, the company shall allocate the former carrying amount of the financial liability into one part which continues to be recognised and another part which is derecognised from the statement of financial position on the basis of the relative fair values of these parts on the buy-back date. The difference between (a) the carrying amount which is allocated to that part which has been derecognised from the statement of financial position and (b) the amount paid, including transferred assets which are not cash or assumed liabilities, for that part which has been derecognised from the statement of financial position, is recognised in profit and loss. A financial asset and a financial liability are recognised net in the balance sheet when there is a legal right to offset the carrying amounts and the intention is either to settle the net amount or to realise the asset and simultaneously settle the liability. On each reporting occasion, the company evaluates whether there are objective indications that a financial asset or group of financial assets is in need of impairment. Profits and losses from derecognition from the balance sheet, as well as modifications, are recognised in profit and loss.

Classification and valuation

Trianon's policies for classifying and valuing financial assets are based on an assessment of both the Company's business model for the administration of financial assets and the characteristics of the contractual cash flows from the financial asset. The classification of financial assets which are debt instruments is based on the Group's business model for the administration of assets and the nature of the asset's contractual cash flows. With the exception of derivatives, Trianon at present only has financial assets which are classified in accordance with the business model for collecting the contractual cash flows. For the recognition of derivatives, see page 72.

Financial assets valued at amortised cost

Financial assets that are held in accordance with a business model which is intended to hold assets for the purpose of collecting contractual cash flows are managed for the purpose of realising the cash flows by collecting contractual payments during the term of the instrument. These assets are valued at amortised cost.

Financial assets classified at amortised cost are valued initially at fair value with the addition of transaction costs. Accounts receivable and rent receivables are



recognised initially at the invoiced amount. After the first reporting occasion, the assets are valued using the effective interest method. Financial assets classified at amortised cost are held in accordance with the business model for collecting contractual cash flows which are solely payments of capital amounts and interest on the outstanding capital amount. The assets are covered by a loss provision for expected credit losses.

Expected credit losses reflect the present value of all shortfalls in cash flows attributable to default either for the next 12 months or for the expected remaining term of the financial instrument, depending on the asset class and the credit deterioration since the first reporting occasion. Expected credit losses reflect an objective, probability-weighted outcome which takes account of multiple scenarios based on reasonable and verifiable forecasts.

Various methods are used to value expected credit losses. The method used for accounts receivable and rent receivables is based on historical bad debts combined with forward-looking factors (such as a deterioration in the economy, increased activity in the construction and letting operation as well as a greater proportion of older apartments in the property portfolio), in accordance with the loss-share method (simplified method). A loss provision is recognised, in the simplified model, for the expected remaining term of the receivable or asset, which is expected to be less than one year for all these receivables. The Group's customers are a homogeneous group with similar risk profiles. Accordingly, the credit risk is initially assessed collectively for all customers. Any larger individual receivables are assessed per counterparty. The Group writes off a receivable when there is no longer any expectation of receiving payment and when active measures to obtain payment have been concluded.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdraft facilities (if utilised) are recognised as borrowings among current liabilities. Cash and cash equivalents are covered by the requirements for a loss provision for expected credit losses.

Financial liabilities

Financial liabilities are classified at amortised cost with the exception of derivatives. Financial liabilities recognised at amortised cost are valued initially at fair value including transaction costs. After the first reporting occasion, they are valued using the effective interest method. Non-current liabilities have an expected term of longer than 1 year, while current liabilities have a term shorter than 1 year. All borrowings (liabilities to credit institutions and bond loans), as well as other financial liabilities such as accounts payable, are included in this category.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Derivatives

Under IFRS, derivatives are recognised initially at fair value, meaning that transaction costs are charged to profit and loss for the period. Interest income from interest rate swaps must be separated from interest income using the effective interest method, and must be presented separately in profit and loss. After initial recognition, the derivative financial instrument is recognised at fair value, and changes in the value of derivative financial instruments, both freestanding and embedded, are recognised in the consolidated statement of comprehensive income. Interest rate swaps which hedge cash flow risk in interest payments on liabilities are valued at the net of the accrued receivable at variable interest and the accrued liability in respect of fixed interest. The difference is recognised as interest expense or interest income respectively.

If a derivative constitutes a financial asset, Trianon will derecognise the derivative from the balance sheet when the contractual rights to the cash flows from the financial assets cease or if Trianon transfers the derivative. If a derivative constitutes a financial liability, Trianon will derecognise the derivative from the balance sheet when the obligations in the contract are fulfilled, cancelled or extinguished.

In Trianon's case, interest rate swap contracts which are classified at fair value through profit and loss were acquired to hedge the risks of interest rate exposure to which the Group is exposed. In accordance with the IFRS valuation hierarchy, the fair value of a derivative is valued in accordance with level 2. This level means that the valuation is based on inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. In Trianon's case, this consists of market valuations from the banks. The derivative contract allows the netting of obligations towards the same counterparty. The Group does not apply hedge accounting.

Derivatives are classified at fair value through profit and loss.

Equity

Ordinary shares are classified as equity. Transaction costs which can be directly attributed to the issue of new shares or options are recognised, net of tax, in equity as a deduction from the issue proceeds. For the past several years, the Group has recognised a hybrid bond with a perpetual term as part of equity. The interest rate paid to the holders of the bond is recognised, in consequence of this, as a dividend directly in equity. The hybrid bonds are recognised as equity since they run with a perpetual term, repayment is decided by the Annual General Meeting and the hybrid bonds are subordinated to all liabilities and debt instruments in the event of any liquidation.

Earnings per share

Basic earnings per share are calculated by dividing:

- the profit attributable to the Parent's shareholders, with a deduction for dividends attributable to hybrid bonds
- by a weighted average number of outstanding ordinary shares during the period, adjusted for the bonus issue element of ordinary shares issued during the year and excluding bought-back shares which are held as the Company's own shares by the Parent.

In calculating diluted earnings per share, the amount used for calculating basic earnings per share is adjusted to take account of:

- the effect of interest on the convertible debenture, and
- the weighted average of the number of ordinary shares that will be added if all potential ordinary shares, which give rise to a dilutive effect, are converted to shares.

PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognised in the balance sheet when the Group has an existing legal or constructive obligation as a result of an event that has occurred, and it is probable that an outflow of financial resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the effect of when in time payment takes place is significant, the provision is calculated by discounting the expected future cash flow at an interest rate before tax which reflects current market judgements of the time value of money and, if appropriate, the risks associated with a liability. Provisions are reviewed on each reporting occasion.

A contingent liability is recognised when there is a possible commitment arising from events which have occurred and this occurrence can be confirmed only by uncertain future events. Contingent liabilities are also recognised when there is a commitment which is not recognised as a liability or a provision since it is not probable that an outflow of resources will be required or if it cannot be estimated reliably.

THE PARENT'S ACCOUNTING POLICIES

The Parent has prepared its Annual Report in accordance with the Swedish Annual Accounts Act and the additional information in accordance with the Swedish Financial Reporting Board's recommendation RFR 2. Financial reports in legal entities, which means that in its Annual Report the Parent applies all EU-approved IFRS and statements for legal entities as far as this is possible within the framework of the Swedish Annual Accounts Act and taking account of the relationship between accounting and taxation. The recommendation specifies the exceptions from and additions to IFRS which are to be made.

Differences between the accounting policies of the Group and the Parent

The most significant differences between the accounting policies of the Group and the Parent are set out below.

Classification and presentation forms

The Parent's income statement and balance sheet are laid out in accordance with the schematics in the Swedish Annual Accounts Act. The difference in comparison with IAS 1, Presentation of Financial Statements, which is applied in laying out the Consolidated Financial Statements, is primarily in the recognition of financial income and expense, as well as equity.

Subsidiaries

Participations in subsidiaries are recognised in the Parent in accordance with the cost method. This means that transaction costs are included in the carrying amount of the holding in the subsidiary. The carrying amount is reviewed annually against the subsidiaries' Group value, the recoverable amount. In the event that the carrying amount exceeds the recoverable amount, impairment will be applied and charged to profit and loss. Where a previous impairment is no longer justified, it is reversed. Dividends received are recognised as income. Impairment testing of the carrying amount is carried out after the dividend has been received.

Income

The Parent's net sales consist of rental income from operating leases and follow the same accounting policies as the Group, with the exception of the requirement to distinguish between lease and non-lease components.

Property, plant and equipment

Property, plant and equipment in the Parent is carried at cost after the deduction of accumulated depreciation and any impairment in the same way as for the Group, but with the addition of any appreciation in value. Property, plant and equipment is depreciated by 1–20 percent per year. In the event that the carrying amount of an asset exceeds its estimated recoverable amount, the asset is immediately impaired to its recoverable amount.

Financial guarantees

The Parent's financial guarantee agreements consist mainly of sureties provided on behalf of subsidiaries.

Financial guarantees mean that the Company has an obligation to compensate the holder of a debt instrument for losses that the holder incurs due to a specific debtor failing to pay on the due date in accordance with the contractual terms and conditions. For the recognition of financial guarantee agreements, the Parent applies RFR 2 p 72 which involves a relief compared with the rules in IFRS 9 in respect of financial guarantee agreements on behalf of subsidiaries and associates. The Parent recognises financial guarantee agreements as a provision in the

balance sheet when the Company has an obligation for which payment will probably be necessary to settle the obligation.

Financial instruments

In view of the relationship between accounting and taxation, the rules on financial instruments in accordance with IFRS 9 are not applied in the Parent as a legal entity. The Parent applies the cost method in accordance with the Swedish Annual Accounts Act. The policies relating to initial recognition and derecognition from the balance sheet do not differ from the Consolidated Financial Statements.

Consequently, non-current financial assets in the Parent are valued at cost (with a deduction for any impairment and with the addition of any appreciation in value) and current financial assets at the lower of cost or net sales value on the reporting date, applying impairment for expected credit losses in accordance with IFRS 9 in respect of assets which are debt instruments. For other financial assets, impairment is based on market values.

The Parent applies the same method as the Group for calculating expected credit losses on intra-Group receivables based on the probability of default, expected loss and exposure in the event of default.

The Parent's assessments in accordance with the above-mentioned method, taking account of other known information and forward-looking factors assess expected credit losses as not being significant and, accordingly, no provision has been recognised. The Parent's receivables from the subsidiary are subordinated to receivables from external lenders.

Non-current financial liabilities are recognised at amortised cost. Expenditure which is directly attributable to the raising of a loan is used to adjust the cost of the loan and this is accrued in accordance with the effective interest method. Current liabilities are carried at cost.

Derivative financial instruments which constitute financial assets and for which hedge accounting has not been applied are valued after first recognition at the lower of cost and net sales value on the reporting date.

Derivative financial instruments with negative values and for which hedge accounting has not been applied

are recognised as financial liabilities and valued at that value.

Interest income and interest expense are recognised in accordance with the effective interest method.

Leased assets

The Parent has opted out from applying IFRS 16, and leases are recognised as a cost on a straight-line basis over the period of the lease.

Tax

The Parent recognises untaxed reserves including deferred tax liabilities. In the Consolidated Financial Statements, however, untaxed reserves are divided over deferred tax liability and equity.

Group contribution and shareholders' contribution for legal entities

The Company recognises Group contribution and shareholders' contribution in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for legal entities. Shareholders' contribution is recognised against equity by the recipient and participations in the Group company by the contributor, to the extent that impairment is not required.

In recognising Group contribution, a company may apply either the main rule or the alternative rule. The selected rule is to be applied consistently to all Group companies. The main rule means that the Parent recognises Group contribution received from subsidiaries as financial income, and Group contribution provided to subsidiaries is recognised as an increase in participations in Group companies. The alternative rule means that Group contribution, both received and provided, is recognised as appropriations. Trianon applies the alternative rule. The tax effect is recognised in accordance with IAS 12 in profit and loss.

Associates

Participations in associates are valued at cost. In the event that the carrying amount of an investment exceeds the cost, impairment is applied.

NOTE 3 Financial risk management and derivative financial instruments

The Trianon Group as a net borrower is exposed to financial risks. In particular, the Group is exposed to interest rate risk, refinancing risk and liquidity risk, as well as credit risk and counterparty risk. The Group is not exposed to currency risk. The Group's Finance Policy regulates how the financial risks are managed, as well as setting limits and identifying the financial instruments which may be used.

Interest rate risk and fixed interest rates

Trianon has a loan-to-value ratio of 54.6 percent (53.5). Interest-bearing borrowings expose the Group to interest rate risk. Interest rate risk refers to the risk that a change in market interest rates may have a negative impact on the Group's results and cash flows. How rapidly a sustained change in interest rates may impact the Group's net financial income/expense depends on the fixed interest period of the borrowings.

Various kinds of interest rate derivatives are used to limit the effects of changes in interest rates. At the end of the period, SEK 200 million (2,320) was hedged through interest rate swaps. The company entered into a swaption for SEK 1.0 billion at an interest rate of

2.5 percent beginning in November 2024, which is not included in the calculation of the fixed-interest period but is included in the hedge ratio. The hedge ratio amounted to 17 percent (34) of total liabilities to credit institutions. Around 9 percent (31) of loans from credit institutions are at fixed interest, which limits interest rate risk further. The average interest rate during the period was 2.2 percent (1.9) including swap rates and 2.0 percent (1.4) excluding swap rates. A change in market interest rates by one percentage point would affect profit and loss by +/- SEK 62.7 million (22.0), calculated on that part of the liability which is at variable interest and which has not been hedged using interest rate derivatives for the financial year ending 31 December 2022.

Trianon restructured the swap portfolio during spring 2022 by increasing swap volumes to SEK 2,950 million and shortening the term to three years. When the market situation changed and short-term swap rates exceeded long-term rates, all swaps were realised during the third quarter to then begin building up the long-term swap portfolio anew. The realised swap portfolio had a positive overall effect on cash flow of SEK 142.7 million and on the loan-to-value ratio of approximately 1 percentage point.

Under the Company's Finance Policy, the fixed-interest period shall be between two and four years. The average fixed-interest period at the reporting date was 0.5 years (2.7).

Fixed interest rate structure 31 December 2022

Due date, year	Volume, SEK million	Proportion, %
2023	6,759	95
2024	148	2
2025	0	0
2026	0	0
2027 and forwards	200	3
Total	7,107	100

Derivative financial instruments

The following table shows the nominal net amount of the interest rate derivative portfolio, its market value as at the reporting date, the average effective interest rate and the impact on the market value of the portfolio of a change in market interest rates of +/- 1 percentage point.

Due	Nominal amount, SEK million	Unrealised changes in value, SEK million	Average interest rate	Market value if interest rate +1 percentage point	Market value if interest rate -1 percentage point
2032	200	1.1	3.12 %	27.4	-27.4
Total	200	1.1		27.4	-27.4

A swaption with a nominal amount of SEK 1 billion has been sold with a maturity of 8 years at a fixed interest rate of 2.50 percent. The derivative has had no impact on the average fixed interest, as it commences in 2024. The derivative liability relating to the instrument totals SEK 27.0 million.

Interest rate derivatives of SEK 28.2 million (70.9) are recognised as non-current. Interest rate derivatives are valued at fair value in the balance sheet. Fair value has been calculated using official market listings and in accordance with accepted calculation methods. For further information on the calculation of fair value, please see Note 31.

Swap contracts signed mean that variable interest on underlying loans has been replaced by fixed interest. Hedge accounting is not applied. Changes in value are recognised on an ongoing basis in profit and loss.

Refinancing risk and liquidity risk

Refinancing risk and liquidity risk refer to the risk that the cost may increase and the financing opportunities may be limited when a loan is to be refinanced, and that the payment obligations may not be fulfilled as a consequence of insufficient liquidity. The Group limits this risk through the financial target that the loan-to-value ratio shall not exceed 60 percent. The loan-to-value ratio at the reporting date was SEK 54.6 percent (53.5).

Loans are arranged only from credit providers with a high rating, and the maturity structure of loan liabilities is controlled. Interest-bearing liabilities as at 31 December

2022 amounted to SEK 7,107.4 million (6,866.5), of which convertible loans constitute SEK 0.0 million (11.4), while SEK 0 million (0) constitutes the unutilised portion of the total bank overdraft facility of SEK 35 million (35).

Under the Finance Policy, borrowing shall take place from a minimum of three counterparties and at the end of the year the number of counterparties was twelve. Covenants in financing agreements at Group level are as shown below. There may be covenants at subsidiary level, but these are no worse than those of the Group. All criteria were fulfilled for both financial years.

Key performance indicators	Covenant	Share of debt, %	2022	2021
Interest coverage ratio, times	>1.50	65	2.4	3.2
Interest coverage ratio, times	>1.75	14	2.4	3.2
Loan-to-value ratio, %	<60	77	54.6	53.5
Loan-to-value ratio, %	<65	14	54.6	53.5
Equity/assets ratio, %	>30	46	38.9	38.6

Debt maturity structure

After the end of the financial year, credit commitments and credit decisions were received to cover all bonds maturing in 2023, for a total of SEK 498 million.

Under the Company's Finance Policy, the average debt maturity period shall be 2 years. The average debt maturity period on the reporting date was 3.2 years (2.1).

Debt maturity structure 31 December 2022, Group

Due date, year	Volume, SEK million	Proportion, %
Q1 2023	4	0
Q2 2023	399	6
Q3 2023	977	14
Q4 2023	1,469	21
2024	1,729	24
2025	1,412	20
2026	55	1
2027 and forwards	1,062	15
Total	7,107	100

Debt maturity structure 31 December 2021, Group

Due date, year	Volume, SEK million	Proportion, %
2022 ²	3,412	50
2023	2,577	37
2024 and forwards	878	13
Total	6,867	100

² After the end of the financial year, loans for SEK 1,055 million maturing in 2022 were extended by terms of between one and three years.

Debt maturity structure 31 December 2022, Parent

Due date, year	Volume, SEK million	Proportion, %
2023	472	51
2024	0	0
2025 and forwards	445	49
Total	917	100

Debt maturity structure 31 December 2021, Parent

Due date, year	Volume, SEK million	Proportion, %
2022	40	4
2023	907	96
2024 and forwards	0	0
Total	948	100

Maturity analysis undiscounted liabilities

Group 31 December 2022

Due within	Interest-bearing liabilities and derivatives	Interest expense	Accounts payable	Other liabilities	Total
Within 3 months	4.0	66.3	89.5	0.0	159.8
4–6 months	399.0	64.8	0.0	0.0	463.8
7–9 months	978.0	58.6	0.0	0.0	1,036.6
10–12 months	1,508.4	51.1	0.0	0.0	1,559.5
2 years	1,689.0	135.2	0.0	0.0	1,824.2
3 years	1,412.0	87.0	0.0	0.0	1,499.0
4 years	54.8	45.9	0.0	0.0	100.7
5 years	0.0	43.6	0.0	0.0	43.6
After 5 years	1,062.2	327.3	0.0	29.6	1,419.1
	7,107.4	879.8	89.5	29.6	8,106.3

Group 31 December 2021

Due within	Interest-bearing liabilities and derivatives	Interest expense	Accounts payable	Other liabilities	Total
Within 3 months	256.1	24.5	74.3	107.5	462.4
4–6 months	1,012.6	23.5	0.0	0.0	1,036.0
7–9 months	176.8	20.5	0.0	0.0	197.3
10–12 months	1,955.5	19.2	0.0	11.4	1,986.1
2 years	2,593.7	36.4	0.0	0.0	2,630.1
3 years	507.4	11.6	0.0	44.0	563.0
4 years	15.3	7.4	0.0	0.0	22.7
5 years	0.0	7.2	0.0	0.0	7.2
After 5 years	337.8	191.8	0.0	0.0	529.5
	6,855.1	341.9	74.3	162.9	7,434.2

Credit risk and counterparty risk

Credit risk and counterparty risk refer to the risk that the counterparty in a transaction may not fulfil its obligations and consequently, the Group would suffer a loss. To limit counterparty risk, only counterparties with a high credit rating are accepted, and the commitment per counterparty is limited.

The commercial credit risk within the Group is limited, since there is no significant credit concentration in relation to any specific customer or other counterparty.

Exposure in financial receivables excluding Cash and cash equivalents

SEK million	GROUP		PARENT	
	2022	2021	2022	2021
Accounts receivable	17.3	14.3	13.4	6.2
Receivables from associates	9.2	15.6	9.2	15.6
Receivables from joint ventures	42.1	253.6	42.1	253.6
Receivables from subsidiaries	0.0	0.0	1,748.8	1,672.3
Accrued income	3.8	3.5	3.2	2.8
Other receivables	35.6	1.6	20.6	1.6
Total	108.0	288.6	1,837.3	1,952.1

Of the above receivables, SEK 21.1 million falls due within 3 months, SEK 0.0 million within 1 year and others after 5 years. Bad debts are in the accounts receivable item.

Receivables from associates and joint ventures are at market interest rates, and the credit risk in these is regarded as low.

Accumulated impairment has been applied to accounts receivable in accordance with the following:

SEK million	GROUP		PARENT	
	2022	2021	2022	2021
Accounts receivable	32.2	18.7	14.1	6.6
Provision for expected credit losses	-14.9	-4.4	-0.7	-0.4
Total accounts receivable	17.3	14.3	13.4	6.2

The provision for expected credit losses increased by SEK 9.8 million (-2.2) during the year. Established bad debts of SEK 0.7 million have been charged to profit and loss.

NOTE 4 Rental income/Net sales

The Group's rental income is distributed as follows:

Lease contracts are recognised as operating leases. Rental income also includes supplements such as electricity, heating and property tax. An assessment has been made that service costs constitute an insignificant part and, accordingly, there is no separation of income.

SEK million	GROUP		PARENT	
	2022	2021	2022	2021
Residential	453.3	377.3	10.3	10.0
Commercial premises	214.5	219.2	55.8	48.7
Garage and parking spaces	20.2	21.4	6.6	5.4
Other	0.3	0.2	0.0	0.0
Total	688.3	618.1	72.7	64.1

Contract maturity structure	Number of contracts	Annual contract value	Proportion, %	Total contract value during the contract period	Proportion, %
Commercial premises contracts, term					
2023	111	23.7	10	20.4	2
2024	98	38.4	17	60.9	6
2025	81	51.7	22	133.9	14
2026	59	46.4	20	169.9	18
2027	19	11.6	5	53.9	6
Other until and including 2041	35	58.2	25	517.7	54
Total	403	230.1	100	956.7	100

Contract value refers to base rent including index increment per year.

The average remaining lease term until expiry weighted by average contracted rental income (WAULT) for commercial leases amounted to 4–2 years.

NOTE 5 Development properties

SEK million	GROUP		PARENT	
	2022	2021	2022	2021
Development properties				
Income from development properties	90.6	0.0	0.0	0.0
Expenses for development properties	-82.2	0.0	0.0	0.0
Total	8.4	0.0	0.0	0.0

In the case of the sale of two development properties through the sale of interests in subsidiaries, an assessment has been made that the revenue must be recognised over time in accordance with IFRS 15. The properties are delivered as two turnkey properties, so the parties have agreed that the buyer will only take over the formal ownership of the properties upon completion. The commitment involves delivering a distinct investment object with an agreed price. The assessment takes into account the facts that the agreement cannot be terminated by the customer except in the event of breach of contract, that any changes under the agreement are governed by the counterparty and that the right to payment arises during the course of the project. The total revenue for the commitment is predetermined and is not affected by how the value develops until completion. As Trianon's performance obligation takes place over time, the agreement is also recognised over time based on costs paid.

NOTE 6 Other operating income

SEK million	GROUP		PARENT	
	2022	2021	2022	2021
Other operating income				
Salary-related remuneration/allowance	0.4	0.4	0.0	0.0
Insurance compensation	1.4	1.0	0.4	0.0
Other operating income	14.5	4.1	7.8	3.2
Total	16.3	5.5	8.2	3.2

NOTE 7 Operating expenses by nature

SEK million	GROUP		PARENT	
	2022	2021	2022	2021
Electricity and heating costs	92.1	67.8	12.2	8.8
Other operating costs	24.0	23.7	1.8	1.6
Repair and maintenance	57.9	43.9	5.1	4.4
Property tax	21.4	22.5	6.5	5.8
Employee benefit expense	21.0	19.4	0.0	0.0
Other property costs	57.0	50.3	6.5	6.9
Total	273.4	227.6	32.1	27.5

Central administration/Other external costs

SEK million	GROUP	
	2022	2021
External costs	36.9	29.6
Employee benefit expense	33.8	24.5
Depreciation	2.2	1.3
Total	72.9	55.5

External costs refer primarily to the Executive Management Team, IT, marketing, financial reports and audit fees.

NOTE 8 Average number of employees, employee benefit expense, pensions and other

	GROUP		PARENT	
Average number of employees	2022	2021	2022	2021
Women	38	34	6	5
Men	55	48	3	2
Total	93	82	8	6

	BOARD OF DIRECTORS		SENIOR EXECUTIVES	
Gender distribution	2022	2021	2022	2021
Women	3	3	2	2
Men	4	5	4	4
Total	7	8	6	6

SEK million	GROUP		PARENT	
Salaries, other remuneration and social security contributions	2022	2021	2022	2021
Salaries and other remuneration				
CEO				
Basic salary	2.2	1.9	2.2	1.9
Benefits	0.0	0.1	0.0	0.1
Other senior executives				
Basic salary	4.9	4.5	3.1	2.7
Benefits	0.0	0.0	0.0	0.0
Other employees	35.1	25.8	3.4	1.6
Total	42.2	32.3	8.7	6.3

Pension costs				
CEO	1.7	1.4	1.7	1.4
Other senior executives	1.3	1.1	0.8	0.7
Other employees	2.2	1.9	0.5	0.1
Other social security contributions				
CEO	1.1	1.0	1.1	1.0
Other senior executives	1.9	1.7	1.2	1.0
Other employees	11.7	11.2	1.0	0.5
Total	19.9	18.3	6.3	4.7

Remuneration to the CEO and other senior executives consists of a basic salary, pension benefits and other benefits. The opportunity exists to convert fixed salary into pension provisions. Other senior executives comprise the Deputy CEO and CFO, heads of property management, head of transactions and head of business development. There is no share price-related remuneration. The total remuneration of the CEO amounted to SEK 3.9 million (3.4).

The remuneration of the CEO has been decided by the Board of Directors. The remuneration of other senior executives has been decided by the CEO in consultation with the Chair of the Board and in accordance with current remuneration guidelines adopted at the Annual General Meeting.

Severance pay under the contract of employment with the CEO is equivalent to 6 months' salary, SEK 1.1 million (0.9).

SEK thousand**Remuneration to the Board affecting net profit for the year 2021**

	GROUP		
	2022	2021	
Boris Lennerhov	270	360	Chair of the Board and Audit Committee until and including August 2022
Viktoria Bergman	240	180	Chair of the Board from August 2022, Audit Committee
Axel Barchan	180	180	Board of Directors and Audit Committee
Richard Hultin	150	75	
Jens Ismunden	158	150	Board of Directors and Audit Committee from August 2022
Elin Thott	150	150	
Sofie Karlsryd	75	75	Deputy Board member
Total	1,223	1,170	

Fees paid to the Board of Directors, in accordance with the decision of the Annual General Meeting, amounted to SEK 300,000 (300,000) to the Chair of the Board, as well as SEK 150,000 (150,000) per person to other members of the Board, with the exception of Olof Andersson, as well as SEK 75,000 (75,000) to the deputy members of the Board. Remuneration paid to members of the Audit Committee was SEK 60,000 (60,000) to the Chair of the Audit Committee, as well as SEK 30,000 (30,000) to each member of the Committee.

NOTE 9 Fees and remuneration of expenses to auditors

Remuneration was paid to the auditors in accordance with the following:

	GROUP		PARENT	
SEK million	2022	2021	2022	2021
Mazars AB				
Audit assignments	2.5	1.7	2.5	2.3
Audit activities over and above audit assignments	0.7	0.5	0.7	0.0
Other assignments	0.1	0.1	0.1	0.0
Total	3.3	2.3	3.3	2.3

	GROUP		PARENT	
SEK million	2022	2021	2022	2021
KPMG AB				
Audit assignments	0.5	0.2	0.0	0.0
Audit activities over and above audit assignments	0.0	0.0	0.0	0.0
Other assignments	0.0	0.0	0.0	0.0
Total	0.5	0.2	0.0	0.0

Audit assignments refer to the auditors' work on statutory audits and audit activities refers to other types of quality services.

Other services are those which are not included in audit assignments, audit activities or tax advisory services.

NOTE 10 Profit/loss from participations in associates and joint ventures

SEK million	GROUP		PARENT	
	2022	2021	2022	2021
Profit/loss from participations in associates and joint ventures	22.2	20.5	-10.0	-16.5
Revaluation of participations when associate converted to subsidiary	0.0	21.2	0.0	0.0
Total	22.2	41.7	-10.0	-16.5

Revaluation of participations in associate took place when the holding in Signatur Fastigheter AB converted from a ssociate to subsidiary. The price per share on the date on which control arose was used in the revaluation. During the financial year, the remaining share in the associate Trianon Svedala 8:16 AB was acquired and converted to a Group company.

NOTE 11 Financial income/Interest income and similar profit/loss items

SEK million	GROUP		PARENT	
	2022	2021	2022	2021
Financial income				
Interest income, Group companies	0.0	0.0	46.7	47.3
Interest income, other	9.2	2.7	8.9	3.3
Total	9.2	2.7	55.6	50.6

NOTE 12 Leases

In accordance with IFRS 16, all leases are recognised in the balance sheet, except short-term leases and leases of minor value. As at the reporting date, the Group has leases in respect of site-leaseholds which are recognised as right of access assets in the balance sheet.

	2022	2021
Property, plant and equipment, Right of access site-leaseholds		
Opening value	163.6	194.2
Additional contracts	17.9	12.3
Expiring contracts	0.0	-42.9
Closing value	181.5	163.6
Non-current liabilities, lease liability		
Opening value	163.6	194.2
Additional contracts	17.9	12.3
Expiring contracts	0.0	-42.9
Closing value	181.5	163.6

Since the value of the right of access assets and the lease liability are of the same amount, equity is not affected.

Interest expense for lease liabilities	6.1	6.4
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The total cash flow for leases amounted to SEK -6.1 million (-6.4).

On the reporting date, there were outstanding commitments in the form of minimum lease payments under non-cancellable leases, with due dates as follows:

Due dates of lease liabilities

SEK million	GROUP	
	2022	2021
Within 1 year	6.1	5.3
1–5 years	16.1	21.0
Later than 5 years	2.7	3.9
Total	24.9	30.2

The Parent applies an opt-out from the application of IFRS 16 Leases. Lease costs are charged to profit and loss with recognition on a straight-line basis over the period of the lease.

NOTE 13 Financial expense/Interest expense and similar profit/loss items

SEK million	GROUP		PARENT	
	2022	2021	2022	2021
Financial expenses				
Interest expense, Group companies	0.0	0.0	40.4	0.3
Interest expense, other	148.9	88.8	40.8	48.8
Other financial expense	3.0	1.4	2.6	1.8
Total	151.9	90.2	83.8	50.9

NOTE 14 Appropriations

SEK million	PARENT	
	2022	2021
Group contributions received	55.7	38.5
Total	55.7	38.5

NOTE 15 Tax on net profit for the year

SEK million	GROUP		PARENT	
	2022	2021	2022	2021
<i>Current tax</i>				
Tax income/tax expense for the year	-8.0	-9.3	0.0	0.0
Tax attributable to the preceding year	-0.5	-3.0	0.1	-2.9
Total current tax	-8.5	-12.3	0.1	-2.9
<i>Deferred tax</i>				
Untaxed reserves	-3.5	-1.0	0.0	0.0
Financial instruments	-13.2	-19.7	5.9	-25.7
Loss carryforward	-12.1	20.3	-8.1	4.0
Difference between the carrying amount and the taxable values of the properties	6.8	-342.8	-2.2	1.4
Total deferred tax	-22.0	-343.2	-4.4	-20.4
Total tax	-30.5	-355.5	-4.3	-23.3
Profit/loss before tax	201.9	1,666.0	102.7	329.8
Tax in accordance with current tax rates	-41.6	-343.2	-21.2	-67.9
Tax attributable to the preceding year	-0.5	-3.0	0.1	-2.9
Effect of non-posted loss carryforward	-0.6	0.0	-0.6	0.0
Effect of profit/loss from participations in associates and joint ventures	4.6	8.6	0.0	-3.4
Utilised unvalued tax deficit	0.0	-4.3	0.0	-4.1
Tax effect of non-taxable income	9.3	11.8	7.6	68.4
Tax effect of non-deductible expenses	-0.1	-0.1	-13.3	0.0
Adjustment for deferred tax from preceding year	0.0	-17.8	0.0	-13.3
Unvalued changes in value of derivatives	27.3	0.0	23.6	0.0
Unrecognised deferred tax asset attributable to temporary differences, investment properties	-24.0	-8.6	0.0	0.0
Other items	-4.9	1.1	-0.5	0.0
Total tax expense	-30.5	-355.5	-4.3	-23.3

NOTE 16 Earnings per share

	2022	2021
Profit/loss for the period attributable to the Parent's shareholders, SEK per share before dilution	0.84	8.41
Profit/loss for the period attributable to the Parent's shareholders, SEK per share after dilution	0.84	8.39
Net profit for the year attributable to the Parent's shareholders	171.4	1,305.0
Dividend, hybrid bond	-39.8	-35.2
Net profit for the year after the deduction of the dividend on the hybrid bond	131.6	1,269.8

Basic earnings per share

The calculation of basic earnings per share was based on the net profit for the year attributable to the Parent's shareholders after the deduction of the dividend for the hybrid bond and on a weighted average number of outstanding shares (thousand) during 2022 amounting to 157,127.6 (150,992.8).

	2022	2021
Number of shares at 31 December	157,505.96	157,005.96
Weighted average number of shares during the year before dilution	157,127.60	150,992.76

Diluted earnings per share

The calculation of diluted earnings per share was based on the net profit for the year attributable to the Parent's shareholders after the deduction of the dividend for the hybrid bond and on a weighted average number of outstanding shares (thousand) during 2022 amounting to 157,324.0 (151,341.6). No material difference arose on earnings before and after dilution, since the repayment of interest attributable to earnings after dilution was not significant.

	2022	2021
Weighted average number of shares during the year before dilution	157,127.6	150,992.8
Effect of convertible loan	196.4	348.8
Weighted average number of shares during the year after dilution	157,324.0	151,341.6

The number of shares and key performance indicators for earlier periods have been recalculated taking into account the 4:1 share split on 27 May 2022.

NOTE 17 Investment properties/Land and buildings

SEK million	GROUP	
Investment properties	2022	2021
Opening balance	12,665.5	9,462.3
Investments through companies	39.0	2,693.6
Investments in new investment properties	0.0	50.1
Investments in existing properties ¹	554.9	309.8
Sales	0.0	-492.1
Sales to associates and joint ventures	-86.6	-669.4
Reclassification as development properties	-75.5	0.0
Changes in value	-234.5	1,311.2
Closing carrying amount	12,862.6	12,665.5

¹ Investment has decreased by SEK 0.0 million (18.6) in government investment support.

Government grants have reduced the cost by a cumulative SEK 114.8 million.

Changes in value for the year of remaining properties amounted to SEK -270.1 million (1,253.6) and changes in value for the year of divested properties amount to SEK 35.6 million (57.6).

SEK million	PARENT	
Land and buildings	2022	2021
Opening cost	856.3	757.6
Investments	183.0	98.7
Closing cost	1,039.3	856.3
Opening accumulated depreciation	-169.3	-130.6
Depreciation for the year	-31.6	-38.7
Closing accumulated depreciation	-200.9	-169.3
Opening accumulated appreciations in value	9.9	9.9
Depreciation for the year	0.0	0.0
Closing accumulated appreciations in value	9.9	9.9
Closing carrying amount	848.3	696.9

The Group's investment properties are held for the purpose of generating rental income and appreciation in value. All of Trianon's properties are classified as investment properties. The property portfolio consists of 154 properties. The property value is divided into 73 percent (75) residential properties, 12 percent (10) public sector/community properties and 15 percent (15) commercial properties.

The properties were valued externally in December 2022 as follows.

SEK million	GROUP	
Investment properties in accordance with	2022	2021
External valuation	11,337.6	10,218.3
Internal valuation	1,299.2	2,267.6
Projects in progress	225.8	179.6
Closing carrying amount	12,862.6	12,665.5

Investment properties in Trianon's portfolio are valued by independent external valuation institutions with recognised qualifications.

Around 90 percent of the total property value has been valued externally at the end of the period, with the remaining portion valued internally.

Building rights and potential building rights have not been valued externally for existing properties. Building rights which have not gone through the planning process or building rights not yet taken into possession have not been valued externally. The external valuations have been carried out through an analysis of each property's status, rental situation and market situation. The main valuation method carried out uses a cash flow calculation on each property, which involves a present value calculation of estimated future net operating income, interest-rate subsidies and investments. In calculating future cash flows, the factors taken into account are the market and the future development of the local area, the market conditions and market positions for the properties and market rental terms and conditions, as well as operating costs and maintenance costs in similar properties compared with the Company's properties. To this will be added the present value of an estimated market value at the end of the calculation period. For the majority of the valuations, a calculation period of 5 to 15 years has been used. For the Uno 5 and Rolf 6 properties, a 20-year calculation period has been used. Comparisons and analyses have also been carried out on completed purchases of properties within each market segment.

Impact on the profit/loss for the period

The following assumptions and estimates have been used:

- Inflation has been assumed at 5 percent for 2023 and thereafter at an annual rate of 2 percent during the calculation period.
- The rent trend has been assumed to broadly follow inflation or, where appropriate, indexation.
- The discount rate and required return are based on analyses of completed transactions, as well as individual assessments of risk level, likely buyers and the market position of the property.
- The discount rate has been calculated at between 4.6 and 10.5 percent.
- The required return varies from 2.25 percent to 7.5 percent.

Project properties are valued externally when their degree of completion is sufficient to enable a reliable valuation to be made. Until that point, the properties are valued at cost. Thereafter, the change in value is calculated for the project and a deduction is made in relation to the degree of completion. Interest expense of SEK 1.9 million (0.0) was capitalised in the Group during the year.

The investment properties are valued in accordance with level 3 (definition in Note 31). Level 3 refers to the fair value hierarchy in accordance with IFRS 13. Carrying amount/fair value and, consequently, unrealised changes in value, are determined annually on the basis of valuation.

Impact on the profit/loss for the period

SEK million	GROUP	
	2022	2021
Property income	688.3	618.1
Property costs for investment properties which generate property income	-273.4	-227.6
Property costs for investment properties which do not generate property income	0.0	0.0



Sensitivity analysis

A property valuation is an estimate of the price which an investor would be willing to pay for the property at a given time.

Valuations are carried out using generally accepted models and certain assumptions of various parameters. The market value of the property can only be secured in a transaction between two independent parties. A typical uncertainty interval in a normal market is +/- 5–10 percent.

A change in property value of +/- 5 percent affects Trianon's property value and, consequently, profit/loss before tax by +/- 643 million.

The table shows how various parameters affect the property value. The different parameters are affected individually by various assumptions and these do not normally all work in the same direction.

The vacancy rate refers only to commercial premises, since the Company considers that the risk of vacancies in residential properties is low.

Effect on profit/loss of property valuations, SEK million

	Change +/-	Residential	Public sector/ community	Commercial
Required property yield	0.5 percentage points	-1,103/1,456	-133/162	-189/237
Rental income	1.0 percentage points	145/-145	20/-20	28/-28
Operating cost	1.0 percentage points	-50/50	-4/4	-7/7
Vacancy rate (commercial)	1.0 percentage points	-19/19	-13/13	-22/22

Assumptions per segment in determining fair value

		Residential	Public sector/ community	Commercial
Yield	%	2.3–5.3	3.0–7.5	3.8–6.8
Discount rate	%	4.6–7.3	6.0–10.5	6.7–9.1
Long-term vacancy	%	0.0–7.5 ¹	3.0–19.0	2.0–25.0
Operation and maintenance	SEK/m²	290–928	165–691	180–1,789

¹ In some of the residential properties, there are elements of commercial areas and these are included in the long-term vacancy.

NOTE 18 Machinery and equipment

SEK million	GROUP		PARENT	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Opening cost	13.1	6.9	1.0	0.8
Investments	0.4	0.5	0.0	0.2
Investments through companies	0.0	5.7	0.0	0.0
Sales and disposals	-0.7	0.0	0.0	0.0
Closing accumulated cost	12.8	13.1	1.0	1.0
Opening accumulated depreciation	-5.8	-5.7	-0.7	-0.5
Reclassifications	-2.8	0.0	0.0	0.0
Reversed depreciation on disposals	0.7	0.0	0.0	0.0
Depreciation for the year	-1.4	-0.1	-0.2	-0.2
Closing accumulated depreciation	-9.3	-5.8	-0.8	-0.7
Closing carrying amount	3.5	7.3	0.2	0.4

NOTE 19 Participations in Group companies

SEK million	PARENT	
	31/12/2022	31/12/2021
Opening cost	1,426.5	707.0
Investments	46.8	932.2
Sales	-85.7	-214.1
Shareholders' contribution	76.7	1.4
Impairment	-54.4	0.0
Closing cost	1,409.9	1,426.5

Specification of the Parent's holdings of participations in Group companies.

Company	Corporate ID number	Registered office	Number of participations	Equity share, %	Carrying amount 31/12/2022	Carrying amount 31/12/2021
BC Arlöv 22:189 AB	559257-0153	Malmö	0	0	0.0	0.0
Burlöv Hanna AB	559191-4709	Malmö	0	0	0.0	0.1
Burlöv Hanna Holding AB	559332-9567	Malmö	0	0	0.0	0.0
Fastighets AB Sockerbetan Holding	556878-0562	Malmö	500	100	0.2	0.2
Fastighets AB Örestrand	556935-8038	Malmö	500	100	9.6	9.6
Lärjungen Lägenheter 11 AB	556875-5226	Malmö	1,000	100	28.1	28.1
Silor Projekt AB	559258-4394	Malmö	0	0	0.0	0.0
Skattmäsen po Limhamn KB	969716-8814	Malmö		100	36.2	33.2
Svedala Folkets Hus AB	559291-2223	Malmö	250	100	4.9	4.9
Söderfrö Fastighets AB	556653-9960	Malmö	500	100	5.4	5.4
Trianon Almhög Fastighets AB	559165-6938	Malmö	500	100	0.0	1.3
Trianon Antilopen AB	556910-8987	Malmö	50,000	100	8.9	8.9
Trianon Beckasinen AB	559254-3432	Malmö	250	100	0.5	0.5
Trianon Bryggan 1 AB	556928-0281	Malmö	1,000	100	-0.2	-0.2
Trianon Bunkeflostrand AB	559150-9558	Malmö	500	100	0.1	0.1
Trianon Cineasten AB	556050-4721	Malmö	1,000	100	145.7	145.7
Trianon Docenten 4 AB	556989-3109	Malmö	500	100	3.1	3.1
Trianon Docenten 8 AB	556627-2026	Malmö	1,000	100	3.6	3.6
Trianon Fastighetsutveckling AB	559257-0138	Malmö	250	100	0.5	0.0
Trianon Fjällrutan AB	556758-4171	Malmö	1,000	100	31.7	31.7
Trianon Gunghästen AB	556953-6344	Malmö	500	100	47.0	47.0
Trianon Gåsen AB	556997-3257	Malmö	500	100	8.2	8.2
Trianon Hermodsdal 4 AB	556894-9589	Malmö	0	0	0.0	10.0
Trianon Hermodsdal 5 AB	556894-9571	Malmö	0	0	0.0	6.9
Trianon Hermodsdal 9 AB	559336-1537	Malmö	0	0	0.0	30.2
Trianon Hyllie AB	559106-8795	Malmö	500	100	1.4	0.1

	Corporate ID number	Registered office	Number of participations	Equity share, %	Carrying amount 31/12/2022	Carrying amount 31/12/2021
Trianon Hälsingör AB	559254-3440	Malmö	250	100	0.0	0.0
Trianon Hämplingen AB	556997-3240	Malmö	500	100	3.8	3.8
Trianon Invest AB	556258-6239	Malmö	1,500	100	6.4	6.4
Trianon Jordlotten AB	559155-0248	Malmö	500	100	8.2	8.2
Trianon Kil AB	556997-5096	Malmö	500	100	2.0	2.0
Trianon Korpen AB	559257-0146	Malmö	250	100	0.0	0.0
Trianon Laboratorn Fastighets AB	559194-2296	Malmö	0	0	0.0	3.4
Trianon Lerstorken AB	556734-9831	Malmö	1,000	100	9.1	9.1
Trianon Lerteglet 1 AB	559015-0008	Malmö	0	0	0.0	9.4
Trianon Lerteglet 2 AB	556935-0407	Malmö	500	100	9.1	9.1
Trianon Macken AB	556717-8164	Malmö	1,000	100	15.0	15.0
Trianon Mozart I AB	559133-5087	Malmö	50,000	100	11.1	11.1
Trianon Mozart II AB	559133-5079	Malmö	0	0	0.0	4.4
Trianon Murteglet AB	559008-9842	Malmö	0	0	0.0	10.6
Trianon No 1 Holding AB	556714-6286	Malmö	1,000	100	21.8	21.8
Trianon Notarien AB	556997-3190	Malmö	500	100	3.2	3.2
Trianon Omsorg AB	556790-5814	Malmö	1,000	100	1.6	1.6
Trianon Polstjärnan AB	556648-6204	Malmö	34,978,468	100	699.6	669.7
Trianon Professorn Fastighets AB	559194-2288	Malmö	500	100	6.6	6.6
Trianon Projekt Holding AB	559388-1716	Malmö	250	100	0.0	0.0
Trianon Resursen AB	556082-2610	Malmö	1,000	100	32.2	32.2
Trianon Sege Park AB	559058-8348	Malmö	500	100	1.7	0.3
Trianon Seved AB	559155-0271	Malmö	500	100	0.1	0.1
Trianon Skratmåsen AB	556696-8763	Malmö	2,500	100	0.8	0.8
Trianon Slussen AB	556939-3910	Malmö	500	100	1.4	1.4
Trianon Smedjan AB	559225-5284	Malmö	500	100	2.6	0.3
Trianon Sorgenfri AB	559212-7442	Malmö	500	100	0.5	0.5
Trianon Stacken AB	556894-9563	Malmö	0	0	0.0	9.6
Trianon Spiralen KB	969628-2525	Malmö		100	15.9	15.8
Trianon Storgatan AB	556749-3738	Malmö	1,000	100	0.2	0.2
Trianon Svedala 25 AB	559165-1558	Malmö	500	100	0.1	0.1
Trianon Svedala 8:16 AB	556680-8480	Malmö	1,000	100	13.5	0.0
Trianon Svedalagården AB	559290-9658	Malmö	250	100	130.5	130.5
Trianon Tegelstenen 1 AB	559221-3051	Malmö	500	100	0.1	0.1
Trianon Tegelstenen 7 AB	559254-3580	Malmö	500	100	17.5	0.3
Trianon Tegelstenen 26 AB	559387-5981	Malmö	250	100	0.0	0.0
Trianon Tegelstenen 27 AB	559387-5957	Malmö	250	100	0.0	0.0
Trianon Tegelstenen 28 AB	559388-1831	Malmö	250	100	0.0	0.0

Company	Corporate ID number	Registered office	Number of participations	Equity share, %	Carrying amount 31/12/2022	Carrying amount 31/12/2021
Trianon Tegelstenen 29 AB	559396-7010	Malmö	250	100	0.0	0.0
Trianon Tegelstenen 30 AB	559398-1136	Malmö	250	100	0.0	0.0
Trianon Tegelstenen 31 AB	559396-7028	Malmö	250	100	0.0	0.0
Trianon Tegelstenen 32 AB	559396-7002	Malmö	250	100	0.0	0.0
Trianon Torna AB	556997-2382	Malmö	500	100	2.4	2.4
Trianon Vallen AB	556406-8822	Malmö	1,000	100	12.4	12.4
Trianon Vivaldi AB	559165-1608	Malmö	500	100	0.1	0.1
Trianon Vårsången 2 AB	556984-5646	Malmö	500	100	5.1	5.1
Trianon Vårsången AB	556645-6819	Malmö	1,000	100	20.4	20.4
Vårsången Invest AB	559023-3788	Malmö	500	100	0.1	0.1
					1,409.9	1,426.5

The Group, through the above-name subsidiaries, owns 100 percent of a further 89 companies, which are listed in the Annual Reports of the respective subsidiaries.

NOTE 20 Participations in associates and joint ventures

	GROUP		PARENT	
SEK million	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Opening cost	244.1	93.5	116.5	2.2
Acquisitions	0.0	276.1	0.0	276.1
Share of profit/loss, divested associates	0.1	22.1	0.0	0.0
Share of profit/loss, remaining associates	0.0	-13.9	-10.0	-16.5
Share of profit/loss, joint ventures	22.2	33.7	0.0	0.0
Withdrawal for the year/Sales	-11.3	-183.8	-2.2	-161.8
Shareholders' contribution	220.2	16.5	220.2	16.5
Closing cost	475.2	244.1	324.5	116.5

Summary of financial information for each associate and joint venture, all of which are unlisted, stated in accordance with the following:

Company	Corporate ID number	Registered office	Equity share, %	Share of votes, %	Carrying amount 31/12/2022	Carrying amount 31/12/2021
Trianon Svedala 8:16 AB ¹	556680-8480	Malmö	100	100	0.0	9.1
BM Malmö AB ¹	559254-3465	Malmö	45	45	0.0	0.0
Burlöv Center Fastighets AB ²	559165-1566	Malmö	50	50	318.4	117.8
LerTri Holding AB ²	559344-9019	Malmö	50	50	-0.3	0.0
Landshövdingen Holding AB ²	559319-3476	Malmö	50	50	157.1	117.4
					475.2	244.1

¹ Associate.

² Joint venture.

The table shows the Company's participation in associates and joint ventures in relation to shareholding.

Company	Corporate ID number	Registered office	Assets	Liabilities	Profit/loss
BM Malmö AB	559254-3465	Malmö	37.8	92.2	-10.0
Burlöv Center Fastighets AB	559165-1566	Malmö	591.1	272.7	6.0
LerTri Holding AB	559344-9019	Malmö	63.9	64.2	-0.1
Landshövdingen Holding AB	559319-3476	Malmö	366.3	209.2	24.1
Trianon Svedala 8:16 AB	556680-8480	Malmö	0.0	0.0	2.2

During the financial year, the remaining share in the associate Trianon Svedala 8:16 AB was acquired and converted to a Group company.

NOTE 21 Prepaid expenses and accrued income

SEK million	GROUP		PARENT	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Prepaid insurance premiums	4.5	4.2	4.5	3.7
Prepaid site-leasehold fees	2.9	2.7	0.0	0.0
Other prepaid expenses	11.8	13.8	6.6	7.8
Accrued interest income	0.7	1.6	1.6	1.6
Accrued rental income	3.1	1.9	1.6	1.2
Other accrued income	0.0	0.0	0.0	0.0
Total	22.9	24.2	14.3	14.3

NOTE 22 Equity

GROUP Capital structure

Trianon shall have a stable capital structure with no financial risk, implying a loan-to-value ratio which shall not exceed 60 percent and an interest coverage rate of at least 1.75 times.

In addition to equity, there are liabilities in the balance sheet which are interest-free and repayment-free in principle, such as derivative liabilities and deferred tax liabilities, and which, accordingly, can be largely treated as equity. The loan-to-value ratio is, accordingly, used as a key indicator for the capital structure instead of the equity/assets ratio. For the same reason, derivative liabilities and deferred tax liabilities are added back in calculating the long-term net asset value, see the derivation of key performance indicators on page 99.

Trianon's target average return on equity shall be at least 12 percent annually over an economic cycle.

For information on external requirements and their fulfilment, see Note 3 Debt maturity structure.

Convertible loans to staff totalled SEK 0.0 million (11.4) at the end of the period. Out of a total of SEK 11.4 million in convertible loans, SEK 9.8 million was converted to shares and the remaining SEK 1.6 million repaid in December 2022. The conversion to shares has added 499,997 shares to the company and increased share capital by SEK 312,498 and has resulted in a dilution of capital of 0.3 percent and of votes of 0.2 percent.

Share capital

Holders of shares are entitled to a dividend which is determined at the Annual General Meeting, and the shareholding carries an entitlement to vote at General Meetings of one vote per share for class A shares and 1/10 of a vote per class B share. All shares have the same right to the Group's remaining net assets.

The quota value per share is SEK 0.625.

Capital contribution

The capital contribution of the hybrid bond consists of capital attributable to the issue of a sustainable perpetual hybrid bond, which carries a variable interest rate of STIBOR 3M + 7.0 percent.

Other contributed capital consists of capital paid into the Company through new issues.

Retained earnings

Retained earnings including the net profit for the year include previous revaluation reserves, earned profits in the Parent and its subsidiaries and other capital which is not designated as contributed in accordance with the above.

PARENT Share capital

The share capital consists at the end of the year of 6,084,472 class A shares each with one vote, and 151,421,485 class B shares each with 1/10 of a vote, totalling 157,505,957 shares.

Restricted reserves

Restricted reserves refers to the statutory reserve and revaluation reserve. They must not be reduced through the payment of dividends.

Profit carried forward

Consists of the non-restricted equity from the preceding year after any dividend has been paid. Consists of total non-restricted equity together with the net profit for the year, i.e. the amount which is available for a dividend to the shareholders.

Dividend

The Board of Directors has decided to delay its dividend proposal for the Annual General Meeting 2023 to give it the flexibility to evaluate new business opportunities. Last year's dividend was SEK 2.00 per share, equivalent to an amount of SEK 78.5 million.

	Number of shares, thousand	Quota value, SEK	Share capital, SEK million
Opening 1 January 2022	39,251.5	2.50	98.1
Share split (4:1) 27 May 2022	117,754.5	0.625	0.0
Issue through conversion 20 September 2022	407.7	0.625	0.3
Issue through conversion 6 December 2022	92.3	0.625	0.1
Closing 31 December 2022	157,506.0	0.625	98.4

NOTE 23 Borrowings

SEK million	GROUP		PARENT	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
<i>Loans from banks and other credit institutions</i>				
Non-current liabilities	4,127.0	2,957.4	445.3	410.5
Current liabilities	2,581.6	3,401.0	731	40.3
Total loans from banks and other credit institutions	6,708.6	6,358.4	518.4	450.8
<i>Bond loan liability</i>				
Non-current liabilities	0.0	496.8	0.0	496.8
Current liabilities	398.8	0.0	398.8	0.0
Total bond loan liability	398.8	496.8	398.8	496.8
<i>Liabilities to Group companies</i>				
Non-current liabilities	0.0	0.0	957.1	1,042.0
Current liabilities	0.0	0.0	405.4	3.8
Total liabilities to Group companies	0.0	0.0	1,362.5	1,045.8
<i>Other liabilities</i>				
Non-current liabilities	4.5	48.1	0.0	0.0
Current liabilities	0.0	11.4	0.0	11.4
Total other liabilities	4.5	59.5	0.0	11.4
Total long-term borrowing	4,131.5	3,502.3	1,402.4	1,949.3
Amortisation within 2–5 years	3,064.9	3,158.1	445.3	907.3
Amortisation later than 5 years	1,066.7	344.2	957.1	1,042.0
Total short-term borrowing	2,980.4	3,412.4	877.3	55.5

Borrowings are recognised net after transaction costs.

Bond loans amounted to SEK 398.8 million (496.8), consisting of an unsecured corporate bond in the amount of SEK 400 million (500) maturing on 11 August 2023 (26 February 2021). The bonds were issued under a total framework of SEK 500 million (500), with a term of 2.5 years (2.5) and at a variable interest rate of Stibor 3m + 2.75 percent (2.75) without a Stibor floor. The terms and conditions of the issue include the covenants of a loan-to-value ratio <70% and an interest coverage rate >1.5 times. All terms and conditions were fulfilled during both financial years. The change of ownership clause may

involve redemption if more than 50% of the votes are controlled by a party other than the present main shareholders in the Company. The issue date was 11 February 2021, when SEK 250 million was issued. Subsequently, SEK 100 million was issued on 11 June 2021 and SEK 150 million on 5 October 2021.

In November 2022, SEK 100 million was repurchased, which means that the outstanding amount is SEK 400 million. Bank credit commitments and credit decisions are in place to redeem the bond in full. For other terms and conditions relating to borrowings, please see Note 3.

NOTE 24 Interest rate derivatives

SEK million	GROUP		PARENT	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Opening carrying amount of liability	70.9	167.3	70.9	166.7
Changes in value	-196.4	-66.5	-174.2	-66.5
Interest paid	-11.2	-30.0	-11.2	-29.3
Divested portion	142.7	0.0	142.7	0.0
Closing net debt	6.0	70.9	28.2	70.9
Of which long-term component of derivative liability	28.2	70.9	28.2	70.9
Of which short-term component of derivative receivables	22.2	0.0	0.0	0.0

Realised changes in value amounted to SEK -11.2 million (-30.0) relating to interest paid and SEK 142.7 million (0.0) relating to divestment of derivative receivables.

NOTE 25 Deferred tax asset and deferred tax liability

SEK million	GROUP		PARENT	
Deferred tax assets	31/12/2022	31/12/2021	31/12/2022	31/12/2021
<i>Tax in respect of</i>				
Taxable deficit in Group companies:				
Opening balance	41.8	25.0	8.9	4.0
Change in the balance sheet	0.0	-3.0	0.0	0.0
Change in the income statement	-12.1	19.8	-8.1	4.9
Closing carrying amount	29.7	41.8	0.8	8.9
Financial instruments:				
Opening balance	14.8	34.5	14.6	25.3
Change in the income statement	-9.0	-19.7	-8.8	-10.7
Closing carrying amount	5.8	14.8	5.8	14.6
Difference between the carrying amounts of the properties and fair value:				
Opening balance	-1.1	-2.1	0.0	0.0
Change in the balance sheet	1.1	0.0	0.0	0.0
Change in the income statement	0.0	1.0	0.0	0.0
Closing carrying amount	35.5	55.5	6.6	23.5

SEK million	GROUP		PARENT	
Deferred tax liabilities	31/12/2022	31/12/2021	31/12/2022	31/12/2021
<i>Tax in respect of</i>				
Untaxed reserves in Group companies:				
Opening balance	4.1	3.1	0.0	0.0
Change in the income statement	3.5	1.0	0.0	0.0
Closing carrying amount	7.6	4.1	0.0	0.0
Difference between the carrying amounts of the properties and fair value:				
Opening balance	853.2	583.7	10.7	10.7
Change in the balance sheet	-3.0	-71.6	0.0	0.0
Change in the income statement	-7.3	341.1	2.1	0.0
Closing carrying amount	842.9	853.2	12.8	10.7
Financial instruments:				
Opening balance	0.0	0.0	15.1	0.0
Change in the income statement	4.6	0.0	-15.1	15.1
Closing carrying amount	4.6	0.0	0.0	15.1
Closing carrying amount	855.1	857.3	12.8	25.8

NOTE 26 Accrued costs and prepaid income

SEK million	GROUP		PARENT	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Accrued salary-related costs	9.9	10.6	3.2	2.8
Accrued interest	18.2	6.1	0.4	3.2
Prepaid rental income	76.0	64.8	8.8	8.5
Other items	15.4	25.5	3.0	6.5
Total	119.5	106.9	15.3	21.1

NOTE 27 Pledged collateral

SEK million	GROUP		PARENT	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Collateral for credit facilities:				
Property mortgages	6,880.0	6,522.8	600.6	494.1
Total	6,880.0	6,522.8	600.6	494.1

NOTE 28 Contingent liabilities

SEK million	GROUP		PARENT	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Guarantees on behalf of Group companies	0.0	0.0	5,965.5	4,166.6
Guarantees on behalf of joint ventures	390.1	0.0	390.1	0.0
Total	390.1	0.0	6,355.6	4,166.6

NOTE 29 Other non-current liabilities

SEK million	GROUP		PARENT	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Advance	0.0	44.0	0.0	0.0
Other items	4.5	4.1	0.0	0.0
Total	4.5	48.1	0.0	0.0

NOTE 30 Statement of cash flows

	GROUP		PARENT	
SEK million	31/12/2022	31/12/2021	31/12/2022	31/12/2021
<i>Explanatory notes for the statement of cash flows</i>				
Net financial income/expense paid				
Interest received	3.4	0.5	0.2	1.0
Derivative receivables divested	142.7	0.0	142.7	0.0
Interest paid	-163.1	-120.1	-43.4	-50.6
Interest expense paid, rights of access	-6.1	-6.4	0.0	0.0
Total financial income/expense paid	-23.1	-126.0	99.5	-49.6
Adjustments for items not included in cash flow:				
Depreciation and impairment of assets	2.2	1.3	32.6	39.7
Net profit from development properties	-8.4	0.0	0.0	0.0
Total	-6.2	1.3	32.6	39.7

Acquired and divested assets and liabilities via subsidiaries

No business combinations were carried out. The acquisitions of shares in subsidiaries during the year have been classified as asset acquisitions, and the net liquidity consisted of the following items:

Acquired assets and liabilities:	2022	2021
Investment properties	38.0	2,690.4
Machinery, equipment	0.0	14.4
Deferred tax assets	0.0	7.1
Operating receivables	0.1	103.2
Cash and cash equivalents	3.6	84.1
Receivables, owners	0.0	0.0
Non-current liabilities	-18.2	-1,285.2
Other operating liabilities and provisions	-1.0	-128.0
Total net assets	22.5	1,486.0
Deduct: Cash and cash equivalents in the acquired unit	-3.6	-84.1
Acquisition of shares from non-controlling interest	0.0	-312.0
Acquisition of associates	-11.3	-161.8
Agreed settlement of receivable or liability to the vendor on acquisition of company	0.0	0.0
Payment own shares	0.0	-60.1
Impact on Cash and cash equivalents	7.7	868.0

Divested net assets via subsidiaries:	2022	2021
Investment properties	122.3	1,096.3
Deferred tax assets	0.0	1.1
Operating receivables	0.0	38.7
Cash and cash equivalents	0.0	15.0
Non-current liabilities	-82.5	-521.7
Deferred tax liabilities	0.0	-71.6
Other operating liabilities and provisions	-3.6	-13.7
Profit on divestment	0.0	57.7
Total net assets	36.2	601.8
Deduct: Cash and cash equivalents	0.0	-15.0
Impact on Cash and cash equivalents	36.2	586.8

GROUP		Not affecting cash flow				
Items from financing activities	31/12/2021	Affecting cash flow	Acquisition/Sale	Right of access	Reclassification	31/12/2022
Non-current and current liabilities	7,073.8	229.2	18.2	18.7	-55.0	7,289.3
Total liabilities from financing activities	7,078.3	229.2	18.2	18.7	-55.0	7,289.3

GROUP		Not affecting cash flow				
Items from financing activities	31/12/2020	Affecting cash flow	Acquisitions	Right of access	Reclassification	31/12/2021
Non-current and current liabilities	5,740.4	631.5	763.5	-30.6	-26.5	7,078.3
Total liabilities from financing activities	5,740.4	631.5	763.5	-30.6	-26.5	7,078.3

PARENT

Items from financing activities	31/12/2021	Affecting cash flow	Not affecting cash flow	31/12/2022
Non-current and current liabilities	947.7	-34.4	3.8	917.1
Liabilities to Group companies	1,042.0	203.4	117.1	1,362.5
Total liabilities from financing activities	1,989.7	169.0	120.9	2,279.6

PARENT

Items from financing activities	31/12/2020	Affecting cash flow	Not affecting cash flow	31/12/2021
Non-current and current liabilities	793.0	154.7	0.0	947.7
Liabilities to Group companies	869.0	173.0	0.0	1,042.0
Total liabilities from financing activities	1,662.0	327.7	0.0	1,989.7

NOTE 31 Financial assets and liabilities

The fair value of financial assets and liabilities is shown in the table below. See also Note 3 Financial risk management and derivative financial instruments.

SEK million	Financial assets valued at amortised cost		Financial assets and liabilities valued at fair value through profit and loss		Financial liabilities valued at amortised cost	
GROUP	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Receivables from associates	9.2	15.6				
Receivables from joint ventures	42.1	253.6				
Accounts receivable	17.3	14.3				
Other receivables	35.6	49.6				
Accrued income	3.8	3.5				
Cash and cash equivalents	90.0	87.4				
Interest-bearing liabilities					7,107.4	6,863.9
Lease liabilities					181.4	163.6
Interest rate derivatives, liabilities			28.2	70.9		
Interest rate derivatives, receivables			22.2	0.0		
Accounts payable					89.5	74.3
Liability joint ventures					0.0	107.5
Other liabilities					29.6	26.3
Accrued costs					43.5	42.1
Total	198.0	424.0	50.4	70.9	7,451.4	7,277.7

SEK million	Financial assets valued at amortised cost		Financial assets and liabilities valued at fair value through profit and loss		Financial liabilities valued at amortised cost	
PARENT	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Receivables from associates	9.2	15.6				
Receivables from joint ventures	42.1	253.6				
Receivables from Group companies	1,748.8	1,672.3				
Accounts receivable	13.4	6.2				
Other receivables	20.6	71.7				
Accrued income	3.2	2.8				
Cash and cash equivalents	57.9	14.9				
Liabilities to credit institutions					518.4	450.8
Other non-current liabilities					0.0	496.8
Interest rate derivatives, liabilities			28.2	70.9		
Accounts payable					30.9	35.5
Liabilities to Group companies					1,362.5	1,045.8
Liabilities to joint ventures					0.0	107.5
Other current liabilities					400.7	14.9
Accrued costs					6.6	12.5
Total	1,895.2	2,037.1	28.2	70.9	2,319.1	2,163.8

Fair value

For current receivables and liabilities, the discounting effect is marginal, which means that the carrying amount for these essentially corresponds to fair value. For current and non-current interest-bearing liabilities with a carrying amount of SEK 7,107.4 million (6,866.5), the fair value amounted to SEK 7,089.8 million (6,863.9). For further information, please see Note 3. Financial assets valued at fair value through profit and loss, i.e. interest rate derivatives, are valued in accordance with level 2.

The fair value of financial instruments is established and categorised in accordance with the following levels:

Financial instruments in level 1

The fair value of financial instruments which are traded in an active market is based on quoted market prices on the reporting date. A market is regarded as active if quoted prices from a stock exchange, broker, industrial group, pricing service or supervisory authority are easily and regularly available, and these prices represent actual and regularly occurring market transactions at arm's length. The quoted market price used for the Group's financial assets is the current bid price.

Financial instruments in level 2

The fair value of financial instruments which are not traded on an active market is determined with the assistance of valuation techniques. Here, market information is used to the greatest possible extent where available, while company-specific information is used to the smallest possible extent. If all significant input data required for the fair valuation of an instrument is observable, the instrument is in level 2. In the event that one or more pieces of significant input data is not based on observable market information, the instrument concerned is classified in level 3.

Financial instruments in level 3

Input data for level 3 is non-observable input data for the asset or liability. Non-observable data is used for valuation at fair value to the extent that observable data is not available. This applies in situations with little or no market activity for the asset or liability on the valuation date.

NOTE 32 Events after the reporting date

- Trianon's residential rents in Malmö were increased by 5 percent from 1 January 2023, bringing an increase in rental income of SEK 20 million.
- Two longer term leases were signed for Entré and for Värnhem in Malmö, increasing the occupancy rate and revenue for the properties.
- Credit commitment and approved bank financing in place for the refinancing of outstanding bonds. This is expected to result in lower interest expenses as bond financing is replaced with bank financing with lower margins.
- Despite the Company's strong financial position, the Board of Directors has decided to delay its dividend proposal. This is in order to provide the flexibility to evaluate new business opportunities.

NOTE 33 Related party transactions

Purchase and sale transactions with related parties take place on market terms.
The following related party transactions have taken place:

	Sales of goods and services to related parties		Interest income and interest expense with related parties		Purchases of goods and services from related parties		Receivables from related parties		Liabilities to related parties	
SEK million	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
GROUP										
Related party relationship:										
Associates	4.5	3.8	0.5	0.6	0.0	0.0	9.2	15.6	0.0	0.0
Joint venture	5.0	1.1	2.1	1.7	-0.1	-0.1	41.1	253.6	0.0	107.5
Other related parties	1.0	0.9	0.0	0.0	-0.1	-0.7	0.0	0.0	0.0	0.0
Total	10.5	5.8	2.6	2.2	-0.2	-0.8	50.3	269.2	0.0	107.5
PARENT										
Related party relationship:										
Subsidiaries	3.6	1.9	6.3	47.0	-5.2	-2.0	1,367.5	1,672.3	957.1	1,042.0
Associates	4.5	3.6	0.5	0.6	0.0	0.0	9.2	15.6	0.0	0.0
Joint venture	4.2	1.1	2.1	1.7	-0.1	-0.1	41.1	253.6	0.0	107.5
Other related parties	0.2	0.0	0.0	0.0	0.0	-0.7	0.0	0.0	0.0	0.0
Total	12.5	6.6	8.9	49.3	-5.3	-2.8	1,417.8	1,941.5	957.1	1,149.5

Receivables from joint ventures refer to the following properties: Rosengård Centrum, Burlöv center and the silos at Limhamn (Bojen and Fendern). Receivables from and liabilities to related parties are on market terms.

The Parent has related party transactions with its subsidiaries, see Note 19.

Other related companies are the holding companies Briban Invest AB and Olof Andersson Förvaltnings AB, as well as the companies which these holding companies control. The members of the Board of Directors and

the CEO have control of the holding companies. During the year, board member Richard Hultin, via a company, received consulting fees of SEK 66,975 for management services performed for partly owned companies in the Group and board member Elin Thott, via a company received SEK 25,151 for legal advice in connection with acquisitions.

For information on the remuneration of the Board of Directors, the CEO and other senior executives, see Note 8.

NOTE 34 Segment reporting

GROUP	Total		Residential		Public sector/ community		Commercial	
	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
SEK million								
Rental income	684.9	616.3	495.1	413.0	73.5	54.5	116.3	148.7
Property costs	-267.3	-226.1	197.6	-158.7	-26.8	-16.4	-42.9	-51.0
Net operating income	417.6	390.2	297.5	254.3	46.7	38.1	73.4	97.7
Interest expense right of access (site-leasehold rights)	-6.1	-6.4	-6.0	-5.3	-0.1	-0.1	0.0	-1.0
Change in value, investment properties	-290.4	1,302.6	-325.0	1,071.8	74.6	80.1	-40.0	150.7
Segment profit	121.1	1,686.4	-33.5	1,320.8	121.2	118.1	33.4	247.4
Unallocated items								
Net operating profit/loss from project properties	5.7	0.3						
Other income and central administration	-56.6	-50.0						
Profit/loss from participations in associates and joint ventures	22.2	41.7						
Net financial income/expense excluding site-leasehold rights	-142.7	-87.5						
Change in value, project properties	55.9	8.6						
Changes in value of derivatives	196.4	66.5						
Profit/loss before tax	202.0	1,666.0						
Fair value per segment	12,452.2	12,319.4	9,086.5	9,283.9	1,514.8	1,241.0	1,850.9	1,794.5
Fair value, projects	410.4	346.1						
Fair value, investment properties	12,862.6	12,665.5	9,086.5	9,283.9	1,514.8	1,241.0	1,850.9	1,794.5
Surplus ratio	62.6%	64.1%	60.1%	61.6%	63.5%	69.9%	63.1%	68.6%

Operations are monitored by segment. The property portfolio is divided into three segments: residential, public sector/community services and commercial. Since the first quarter of 2022, retail and office properties are reported jointly under the designation commercial, as these are not monitored separately following conversion of a larger retail property to a public sector/community property. The aspect which is predominant in relation to the rental value of the property determines the segment to which a property belongs. Rental income,

property costs, net operating income, change in value of investment properties, fair value and surplus ratio are monitored.

All rental income originates from properties located in Sweden. The Group does not have any customer responsible for more than 10 percent of sales. The tenant representing the largest proportion is responsible for 7 percent of sales. The Group's other operating income is not allocated by segment.

All non-current-assets are located in Sweden.

NOTE 35 Estimates and judgements

The preparation of financial statements in accordance with generally accepted accounting principles requires the Executive Management Team to make judgements and assumptions which affect the values and information contained in the financial statements. Actual outcomes may differ from these judgements. The most important judgements and assessments are listed below.

Tax

Trianon has at its disposal loss carry forwards as well as unutilised interest deductions of SEK 131.0 million (197.2). The Company considers that these can be utilised against future profits within the Group under current tax rules and these have therefore been valued and recognised as deferred tax assets. Of this total, SEK 129.8 million (154.1) consists of unutilised interest deductions, which must be utilised within 6 years. The other SEK 1.2 million (43.1) is not time-limited. Trianon cannot, however, guarantee that current or new tax rules would not involve some limitations on the opportunities to utilise these.

Investment properties

For assumptions and judgements in connection with the valuation of investment properties, see Note 17 Investment properties.

Revenue recognition on the sale of property projects

For assumptions and judgements in connection with revenue recognition on the sale of property projects in accordance with IFRS 15, see Note 5.

NOTE 36 Appropriation**Amounts in SEK**

Proposed appropriation of the Company's profit.

The following funds are at the disposal of the Annual General Meeting:

profit brought forward	624,541,724
share premium reserve	1,277,295,296
net profit for the year	98,394,135
	2,000,231,155
The Board of Directors proposes that:	
to be carried forward	2,000,231,155
	2,000,231,155

Signatures

The income statement and balance sheet of both the Group and the Parent will be subject to approval at the Annual General Meeting on 12 May 2022. The Board of Directors and the CEO affirm that the Annual Report has been drawn up in accordance with generally accepted accounting standards in Sweden and that the Consolidated Financial Statements have been drawn up in accordance with the international financial reporting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

The Annual Report and the Consolidated Financial Statements give a fair presentation of the position and results of the Parent and the Group. The Administration Report for the Parent and the Group respectively give a fair overview of the development of the Parent's and Group's operations, position and results, and also describe significant risks and uncertainties to which the Parent and the companies that are part of the Group are exposed.

Malmö, 24/03/2023

Viktoria Bergman
Chair of the Board

Olof Andersson
CEO
Member of the Board

Axel Barchan
Member of the Board

Richard Hultin
Member of the Board

Jens Ismunden
Member of the Board

Elin Thott
Member of the Board

Our Auditors' Report was submitted on 24 March 2023
Mazars AB

Anders Persson
Authorised Public Accountant

Rasmus Grahn
Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of Fastighets Aktiebolaget Trianon AB (publ), corporate identity number 556183-0281.

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Fastighets Aktiebolaget Trianon AB (publ) for the year 2022 with the exception of the corporate governance report on pages 53–57 and the sustainability report on pages 20–29. The annual accounts and consolidated accounts of the company are included on pages 6–7, 12, 20–29, 42–43, 46–47, 50–57 and 60–91 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited

services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of investment in properties

Description of key audit matter

The fair value of the investment properties in the group as of 31 December 2022 amounted to SEK 12 862,6 million and the changes in value to SEK -234,5 million. The group's investment properties make up 93% of the total assets as of December 31, 2022. The valuations have been carried out as the main method through the so-called cash flow calculation of each property, which means that future cash flows are forecast. For the calculation of future cash flows, consideration has been given to the market and the future assessed development of the surrounding area, the properties' market conditions and market position, market rental terms and operating and maintenance costs in similar properties compared to the company's properties. Added to this is the present value of an assessed market value at the end of the calculation period. Due to the high degree of assumptions and assessments that take place in connection with the property valuation, as well as the fact that a small adjustment in the assumptions underlying the valuations can have a significant effect on reported values, we consider this area to be a particularly significant area in our audit. For further information, see the section risks and risk management in the management report, note 2 The group's accounting principles and note 17 Management properties.

Response in the audit

In our audit, we have evaluated the company's process for property valuation, among other things by evaluating the valuation method and input data in the externally prepared valuations for a selection of the properties. We have evaluated the competence and objectivity of the external valuers. We have made market comparisons against known market information. We have reviewed the model used for property valuation. We have also reviewed the reasonableness of assumptions made such as yield requirements, vacancy rate, rental income and operating costs, as well as reviewed information provided in the annual report.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–5, 8–11, 13–19, 30–41, 44–45, 48–49, 58–59 and 92–104. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible

for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, 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 opinions. 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 the company's internal control relevant to our 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of

most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Fastighets Aktiebolaget Trianon AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be dealt with in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. I We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Fastighets Aktiebolaget Trianon AB (publ) for the financial year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Fastighets Aktiebolaget Trianon AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements

of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 53–57 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT

Assignment and division of responsibilities

The Board of Directors is responsible for ensuring that the sustainability report on pages 20–29 has been prepared in accordance with the Annual Accounts Act.

Focus and scope of the examination

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the sustainability report is different and substantially more limited in scope compared with the focus and scope of an audit conducted in accordance with International Standards on Auditing, and generally accepted auditing standards in Sweden. We

believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Mazars AB, Box 4211, 203 13 Malmö, was appointed auditor of Fastighets Aktiebolaget Trianon AB (publ) by the general meeting of the shareholders on the 12th of May 2022 and has been the company's auditor since June 2016.

Principal Auditor Anders Persson, Mazars AB, has been the company's auditor since 2019. Rasmus Grahn was appointed by the general meeting of the shareholders on the 17th of June 2020 and has been the company's auditor since then.

Malmö, March 24, 2023

Mazars AB

Anders Persson
Authorized Public
Accountant

Rasmus Grahn
Authorized Public
Accountant

Definitions and other

PROPERTY-RELATED

Number of renovated apartments

The number of apartments which, at the end of the period, had at least bathroom renovations carried out.

Loan-to-value ratio

Interest-bearing net liabilities in relation to property value at the end of the period.

Reason for use: The aim is to indicate how large a proportion of the value of properties is constituted by net debt.

Residential floor area

The residential floor area or usable area is the total interior area consisting of the living area, area of premises, non-living area and other areas for all floors of a building.

Gross total area

Gross area or gross total area is the total area of all floors in a building. The gross area extends to the outside surface of the walls.

Property yield, excluding administration

Net operating profit, excluding administration, in relation to market value.

Economic occupancy rate

Contracted rent for leases which are running at the end of the period as a percentage of rental value.

Reason for use: The aim is to facilitate the assessment of rental income in relation to the total value of possible rentable area.

Property value SEK per m²

The market value of the properties in relation to the lettable area in m² excluding garage.

Profit from property management

Profit/loss before tax with add-back of changes in value.

Profit from property management from associates and joint ventures

Profit from property management attributable to partly-owned properties through associates and joint ventures.

Rental value, SEK million

Contracted rent plus estimated market rent for unlet areas at the end of the period.

Tenant turnover frequency

Number of tenants moving out in relation to the number of apartments in the most recent twelve-month period.

Public sector/community properties

Properties for which the rental value consists predominantly of tax-financed operations, and which are specifically adapted for public sector/community services.

Rentable area

Total lettable area excluding garage area.

Surplus ratio

Net operating profit as a percentage of rental income.

Reason for use: Aims to show the return on net operating profit in relation to the Company's rental income.

FINANCIAL

Return on equity

Comprehensive income for the period attributable to the Parent's shareholders as a percentage of average equity attributable to the Parent's shareholders.

Reason for use: The aim is to show the return generated on the capital which the shareholders have invested in the Company.

Sustainable hybrid bond

Subordinated sustainable bond loan in which the liquidity is linked to a sustainable framework, with a focus on social and environmental sustainability.

Investment profit from project portfolio

Refers to changes in value relating to project properties.

Long-term net worth

Equity attributable to Parent's shareholders with add-back of interest rate derivatives and deferred tax.

Reason for use: The aim is to provide an adjusted and supplementary measure of the amount of equity.

Interest coverage ratio

Net profit for the period before tax, with add-back of changes in value of derivatives and properties, as well as financial expense, in relation to financial expense with add-back of the cost of realised and unrealised interest expense for derivatives.

Reason for use: Enables investors to assess the ability to meet ongoing financial commitments.

Equity/assets ratio, %

Equity including non-controlling interests as a percentage of total assets.

Reason for use: Shows the capital structure through how large a percentage of total assets consists of equity.

WAULT

Average remaining lease term, weighted by agreed rental income (Weighted Average

Unexpired Lease Term). This key indicator shows the weighted time risk of future vacancies.

SHARE-RELATED

Equity per share

Equity attributable to Parent's shareholders in relation to the number of shares at the end of the period.

Equity per share after the deduction of equity attributable to hybrid bonds

Equity attributable to Parent's shareholders after the deduction of equity attributable to hybrid bonds in relation to the number of shares at the end of the period.

Long-term net worth after the deduction of equity attributable to hybrid bonds

Equity attributable to Parent's shareholders after the deduction of equity attributable to hybrid bonds with add-back of interest rate derivatives and deferred tax.

Reason for use: The aim is to provide an adjusted and supplementary measure of the long-term net worth attributable to the Company's ordinary shareholders with a deduction for that part of equity which is attributable to hybrid bonds.

Earnings per share

The profit/loss for the period attributable to the Parent's shareholders after the deduction of interest on hybrid bonds in relation to the average number of shares. Definition in accordance with IFRS.

SUSTAINABILITY-RELATED

For sustainability-related definitions, see page 100.

Property register

Residential properties

Property portfolio	Type	Area	Property portfolio	Type	Area
Alven 26	Residential	Malmö	Gjörloff 5	Residential	Landskrona
Ankan 2	Residential	Malmö	Gnistan 4	Residential	Malmö
Ankan 14	Residential	Malmö	Gymnasiet 4	Residential	Klippan
Arlöv 21:181	Residential	Burlöv	Gåsen 2	Residential	Malmö
Basunen 3	Residential	Malmö	Gåsen 8	Residential	Malmö
Beckasinen 11	Residential	Malmö	Hermodsdal 4 ¹	Residential	Malmö
Billesholms Gård 12:1	Residential	Bjuv	Hermodsdal 5 ¹	Residential	Malmö
Björnen 6	Residential	Skurup	Hjorten 46	Residential	Landskrona
Björnen 8	Residential	Skurup	Hoppet 8	Residential	Landskrona
Bokhandlaren 4	Residential	Eslöv	Häggen 13	Residential	Malmö
Bokhandlaren 5	Residential	Eslöv	Hälsingör 2	Residential	Malmö
Bollbro 11	Residential	Helsingborg	Hämplingen 8	Residential	Malmö
Bollbro 7	Residential	Helsingborg	Jordlotten 9	Residential	Malmö
Brockfågeln 11	Residential	Malmö	Kandidaten 7	Residential	Osby
Bryggan 1	Residential	Malmö	Kil 1	Residential	Malmö
Bryggaren 1	Residential	Trelleborg	Korpen 14	Residential	Landskrona
Bryggaren 14	Residential	Trelleborg	Korpen 42	Residential	Malmö
Bäverungen 5 ¹	Residential	Stockholm	Laboratorn 1 ¹	Residential	Malmö
Böckaren 12	Residential	Trelleborg	Laboratorn 6 ¹	Residential	Malmö
Böckaren 13	Residential	Trelleborg	Lektorn 5 ¹	Residential	Malmö
Böckaren 14	Residential	Trelleborg	Lerteglet 1	Residential	Malmö
Concordia 35	Residential	Malmö	Lerteglet 2	Residential	Malmö
Dalkarlen 22	Residential	Landskrona	Linjalen 1	Residential	Osby
Delfinen 14	Residential	Malmö	Linjalen 11	Residential	Osby
Delfinen 15	Residential	Landskrona	Linjalen 12	Residential	Osby
Delfinen 16	Residential	Landskrona	Linjalen 13	Residential	Osby
Docenten 1 ¹	Residential	Malmö	Linjalen 14	Residential	Osby
Docenten 4 ¹	Residential	Malmö	Linné 44	Residential	Landskrona
Docenten 7 ¹	Residential	Malmö	Motetten 2	Residential	Malmö
Docenten 8 ¹	Residential	Malmö	Murteglet 1	Residential	Malmö
Draken 16	Residential	Landskrona	Najaden 9	Residential	Landskrona
Draken 17	Residential	Landskrona	Nimrod 26	Residential	Landskrona
Drömmen 12	Residential	Malmö	Notarien 1	Residential	Malmö
Ekorren 4	Residential	Eslöv	Nyborg 22	Residential	Malmö
Folkvisan 3	Residential	Malmö	Odenslunda 1:646	Residential	Upplands Väsby
Fritz 14	Residential	Malmö	Onsjö 7	Residential	Malmö
Fritz 2	Residential	Malmö			

Public sector/community service properties

Property portfolio	Type	Area
Apollo 15	Public sector/ community	Klippan
Basen 58	Public sector/ community	Malmö
Blåklockan 13	Public sector/ community	Vimmerby
Bokbindaren 6	Public sector/ community	Malmö
Fjällrutan 1	Public sector/ community	Malmö
Fälgen 1	Public sector/ community	Lund
Gullvivan 5	Public sector/ community	Vimmerby
Gunghästen 1	Public sector/ community	Malmö
Håkanstorp 9 ¹	Public sector/ community	Malmö
Härsjön 4	Public sector/ community	Malmö
Katrinelund 19 ¹	Public sector/ community	Malmö
Kvarnskon 1	Public sector/ community	Lund
Månskäran 1 ¹	Public sector/ community	Malmö
Paulina 47	Public sector/ community	Malmö
Rolf 6	Public sector/ community	Malmö
Sandsjön 2	Public sector/ community	Malmö
Skvadronen 9	Public sector/ community	Klippan
Stammen 15	Public sector/ community	Malmö
Storken 32	Public sector/ community	Malmö
Ugglan 21	Public sector/ community	Malmö
Vittsjö 3:422	Public sector/ community	Hässleholm

¹ Site-leasehold.

Property register

Commercial properties

Property portfolio	Type	Area
Antilopen 1	Commercial	Malmö
Balken 6	Commercial	Malmö
Druvan 1	Commercial	Malmö
Gefion 1	Commercial	Malmö
Helmer 4	Commercial	Malmö
Hermodsdal 9	Commercial	Malmö
Liljan 12	Commercial	Malmö
Macken 1	Commercial	Malmö
Mercurius 5	Commercial	Malmö
Nötskrikan 18	Commercial	Malmö
Residenset 4	Commercial	Malmö
Siljan 22	Commercial	Malmö
Skrattmåsen 13	Commercial	Malmö
Svedala 8:16	Commercial	Malmö
Torshammaren 9	Commercial	Malmö
Uno 5	Commercial	Malmö
Vakteln 14	Commercial	Malmö
Vallen 15	Commercial	Malmö
Vipan 9	Commercial	Malmö

Project properties

Property portfolio	Type	Area
Badmössan 1	Project	Malmö
Bunkeflostrand 155:3	Project	Malmö
Centralköket 1	Project	Malmö
Husie 172:75	Project	Malmö
Mjölkboden 4 ¹	Project	Stockholm
Smedjan 13	Project	Malmö
Smedjan 15	Project	Malmö
Spiralen 10	Project	Malmö
Svedala 22:8	Project	Malmö
Terapisalen 2	Project	Malmö

Agreements for acquisitions, properties not taken into possession

Property portfolio	Type	Area
Svedala 1:87	Residential	Svedala

Part-owned properties

Property portfolio	Type	Area
Arlöv 22:189 ¹	Residential	Burlöv
Bojen 1	Project	Malmö
Fendern 1	Project	Malmö
Kvarteret Hanna	Project	Burlöv
Landshövdingen 1 ¹	Commercial	Malmö
Smedjan 2	Project	Malmö
Tågarp 15:4 (Burlöv Center)	Commercial	Burlöv

¹ Site-leasehold.

Multi-year overview

Trianon presents certain financial measures in its Annual Report which are not defined under IFRS. Trianon considers that these targets provide valuable supplementary information to investors and the Company's management team, since they facilitate the evaluation of the Company's performance. As not all companies calculate financial measures in the same way, these are not always comparable with measures used by other companies. Consequently, these measures should not be seen as a replacement for measures defined under IFRS. In the following table, measures are presented which are not defined under IFRS, unless otherwise stated. In addition, definitions of these measures are given on page 95.

The following financial targets were set by the Board of Directors on 9 November 2021. The three first targets are unchanged, and the target for the interest coverage ratio has been raised. New for the period 2022–2024 is the target for investment profit from the project portfolio:

- The profit from property management shall increase by 12% annually
- Return on equity shall exceed 12% over an economic cycle
- The loan-to-value ratio shall not exceed 60%
- The interest coverage rate shall exceed 1.75 times
- Annual investment income from the project portfolio shall be at least SEK 100 million

Financial

	2022	2021	2020	2019	2018	2017	2016
Return on equity, %	3.2	31.3	16.7	12.7	13.6	20.0	44.2
Interest coverage ratio, times	2.4	3.2	3.4	2.6	2.4	3.1	3.9
Equity/assets ratio, %	38.9	38.6	35.3	34.6	34.2	37.2	34.0
Average interest rate, %	2.2	1.9	2.3	2.4	2.6	2.1	2.0
Profit from property management, SEK million	231.8	253.1	224.2	177.3	130.8	116.6	82.0
Increase in profit from property management over the corresponding period of the preceding year, %	-8.4	12.9	26.4	35.6	12.2	42.2	26.2
Profit before tax, SEK million	201.9	1,666.0	651.4	387.6	306.7	431.8	503.5
Comprehensive income for the period, SEK million	171.4	1,310.5	537.4	307.1	267.0	340.2	401.9
Comprehensive income for the period attributable to Parent's shareholders, SEK million	171.4	1,305.0	519.7	309.6	255.8	318.9	401.9
Equity, SEK million	5,372.9	5,243.9	3,635.2	2,916.8	2,064.3	1,810.6	1,181.5
Equity attributable to Parent's shareholders, SEK million	5,372.9	5,217.3	3,532.3	2,830.9	1,978.4	1,757.2	1,181.5
Equity attributable to Parent's shareholders after the deduction of equity attributable to hybrid bonds, SEK million	4,905.0	4,804.8	3,084.5	2,452.9	1,978.4	1,757.2	1,181.5
Long-term net worth, SEK million	6,198.4	6,090.0	4,228.2	3,384.0	2,398.8	2,126.0	1,469.8
Long-term net worth after the deduction of equity attributable to hybrid bonds, SEK million	5,730.6	5,677.5	3,780.4	3,006.0	2,398.8	2,126.0	1,469.8
Total assets, SEK million	13,797.7	13,581.2	10,303.1	8,420.0	6,040.5	4,861.0	3,479.0

Share-related

	2022	2021	2020	2019	2018	2017	2016
Number of outstanding shares, thousand ¹	157,506.0	39,251.5	37,465.5	36,465.5	34,365.5	34,365.5	28,115.5
Average number of outstanding shares, thousand ¹	157,127.6	37,748.2	36,946.4	34,561.1	34,365.5	31,420.3	28,115.5
Equity per share, SEK	34.11	33.23	23.57	19.41	14.39	12.78	10.51
Equity per share, SEK ²	31.14	30.60	20.58	16.82	14.39	12.78	10.51
Earnings per share, SEK ¹	0.84	8.41	3.31	2.14	1.86	2.54	3.57
Long-term net worth per share, SEK	39.35	38.79	28.22	23.20	17.45	15.47	13.07
Long-term net worth per share, SEK ²	36.38	36.16	25.23	20.61	17.45	15.47	13.07

¹ Definition in accordance with IFRS.² After the deduction of equity attributable to the hybrid bond. Historical key performance indicators per share have been recalculated taking into account a 4:1 share split in 2022.

Property-related

	2022	2021	2020	2019	2018	2017	2016
Rental income, SEK million	688.3	618.1	553.2	446.4	344.5	261.7	174.4
Operating surplus, SEK million	439.6	396.0	368.5	285.5	212.6	163.5	111.6
Rental value, SEK million	798.4	737.8	653.4	557.8	437.9	365.6	231.0
Economic occupancy rate, %	95.2	95.0	94.5	93.5	89.2	85.0	96.0
Surplus ratio, %	62.6	64.1	66.6	64.0	61.7	62.5	64.0
Loan-to-value ratio, %	54.6	53.5	55.7	55.1	56.6	53.6	56.4
Proportion of residential and public sector/community properties, %	85	85	75	75	69	66	-
Rentable area excluding garage, thousand m ²	491	488	402	341	272	223	158

Derivation of key performance indicators

All amounts are denominated in SEK million unless otherwise stated	2022	2021	2020	2019	2018	2017	2016
Rental income	688	618.1	553.2	446.4	344.5	261.7	174.4
Other income	16.3	5.5	2.6	6.7	3.6	2.5	1.7
Property costs	-273.4	-227.6	-187.3	-167.6	-135.5	-100.7	-64.5
Net operating income	431.2	396.0	368.5	285.5	212.6	163.5	111.6
Surplus ratio, %	62.6	64.1	66.6	64.0	61.7	62.5	64.0
Equity	5,372.9	5,243.9	3,635.2	2,916.8	2,064.3	1,810.6	1,181.5
Total assets	13,797.7	13,581.2	10,303.1	8,420.0	6,040.5	4,861.0	3,479.0
Equity/assets ratio, %	38.9	38.6	35.3	34.6	34.2	37.2	34.0
Interest-bearing liabilities, non-current	4,127.0	3,454.2	4,059.6	850.1	1,814.7	1,657.3	1,848.3
Interest-bearing liabilities, current	2,980.4	3,412.4	1,486.6	3,714.9	1,553.1	900.3	32.3
Bank overdraft facility	0.0	0.0	0.0	0.0	5.1	0.0	8.4
Cash and cash equivalents	-90.0	-87.4	-280.1	-177.7	-30.0	-44.1	-23.2
Interest-bearing net debt	7,017.4	6,779.1	5,266.1	4,387.3	3,342.9	2,513.5	1,865.8
Investment properties	12,862.6	12,665.5	9,462.3	7,958.4	5,904.9	4,692.9	3,306.1
Loan-to-value ratio, %	54.6	53.5	55.7	55.1	56.6	53.6	56.4
Profit/loss before tax	201.9	1,666.0	651.4	387.6	306.7	431.8	503.5
Add-back of changes in the value of investment properties and derivatives	38.1	-1,377.7	-343.9	-210.4	-171.1	-308.3	-376.8
Add-back of interest expense	151.9	90.2	85.7	66.6	49.1	23.2	13.8
Adjusted profit/loss before tax	392.0	378.5	393.2	243.8	184.7	146.7	140.5
Financial expenses	-151.9	-90.2	-85.7	-66.6	-49.1	-23.2	-13.8
Interest expense, derivatives	-11.2	-30.0	-28.4	-27.4	-28.4	-24.0	-22.5
Total interest expense including interest expense for derivatives	-163.1	-120.2	-114.1	-94.0	-77.5	-47.2	-36.3
Interest coverage ratio, times	2.4	3.2	3.4	2.6	2.4	3.1	3.9

All amounts are denominated in SEK million unless otherwise stated	2022	2021	2020	2019	2018	2017	2016
Profit for the period attributable to the Parent's shareholders	171.4	1,305.0	519.7	309.6	255.8	318.9	401.9
Calculated annual rate	171.4	1,305.0	519.7	309.6	255.8	318.9	401.9
Average equity attributable to the Parent's shareholders	5,421.5	4,172.8	3,103.1	2,440.3	1,886.4	1,593.4	908.4
Return on equity, %	3.2	31.3	16.7	12.7	13.6	20.0	44.2
Equity attributable to Parent's shareholders	5,372.9	5,217.3	3,532.3	2,830.9	1,978.4	1,757.2	1,181.5
Add-back of deferred tax	855.1	857.3	586.8	467.3	372.9	324.7	232.4
Add-back of derivative liability	28.2	70.9	166.5	133.5	79.0	67.0	78.3
Add-back of derivative asset	-22.2	0.0	0.0	0.0	0.0	0.0	0.0
Add-back of deferred tax asset	-35.5	-55.5	-57.4	-47.7	-31.5	-22.9	-22.4
Long-term net worth	6,198.4	6,090.0	4,228.2	3,384.0	2,398.8	2,126.0	1,469.8
Deduction of equity attributable to hybrid bonds	-467.8	-412.5	-447.8	-378.0	0.0	0.0	0.0
Long-term net worth after the deduction of equity attributable to hybrid bonds	5,730.6	5,677.5	3,780.4	3,006.0	2,398.8	2,126.0	1,469.8

4-year overview Sustainability

Sustainability key performance indicators

	2022	2021	2020	2019
Carbon dioxide emissions, tonnes CO₂ equivalent (tCO₂e)				
<i>Scope 1</i>				
Biogas for heating, tCO ₂ e	0.5	0.3	0.1	-
Fuel from service cars, tCO ₂ e	35.7	33.2	31.0	-
<i>Scope 2</i>				
District heating, tCO ₂ e	3,960.2	4,179.1	3,871.5	-
Electricity market-based, tCO ₂ e	0.0	0.0	0.0	-
<i>Scope 3</i>				
Category 6 – Business travel, tCO ₂ e	5.7	2.9	-	-
Heating consumption				
District heating consumption normal-year-adjusted, kWh/m ² Atemp ¹	90	100	99	92
Biogas consumption normal-year-adjusted, kWh/m ² Atemp ¹	4	1	1	1
Electricity consumption, kWh/m ² Atemp	29	30	30	34
Total, kWh/m² Atemp	124	131	130	127
Water consumption, m³/m²	1.40	1.45	1.51	1.64
Self-generated direct/indirect renewable energy				
Solar power production, MWh	2,973	2,321	567	200
Installed capacity, MW	2.44	2.33	2.10	0.30
Cost-effective renovations				
Number of renovated apartments	151	186	132	107
Employees				
Average number of employees	93	82	69	59
Proportion of women, %	44	42	41	41
Proportion of women in management positions, %	56	43	42	42
Health rate, %	95	95	94	97

Sustainability-related definitions

Atemp

The total internal area for each floor, attic and cellar that is heated to more than 10°C.

Average number of employees

The sum of the total number of hours worked during the financial year divided by the number of working hours corresponding to a full-time position.

Carbon dioxide equivalents, CO₂e

A carbon dioxide equivalent, CO₂e, is an amount of gas equivalent to the climate impact of carbon dioxide. This is a way of translating the contribution of different gases to global warming according to a uniform scale. The reason for this is that different greenhouse gases have a different greenhouse effect.

Health rate

Total number of working hours minus number of sick hours in relation to the number of hours worked during the year.

Normal year-adjusted values

The normal year-adjustment of energy use data is designed to enable energy used to be compared for different periods, irrespective of the outdoor temperature at the time.

Scope 1

The emissions that occur in own activities (direct), for example fuel combustion and from vehicles which the organisation owns or controls.

Scope 2

Emissions (indirect) from purchased energy.

Scope 3

Relates to other indirect emissions, from purchased materials, product use, waste management, business travel, etc., which the organisation neither owns nor controls.

Self-generated renewable energy

Solar energy, wind energy, wave energy, hydropower and biomass are renewable energy sources that are continuously replenished, mainly by the sun's rays. The energy is generated by solar cells, for example, where the solar panels are owned by Trianon either directly or indirectly.

EU Taxonomy

Taxonomy alignment

Trianon is not covered by the reporting requirements relating to taxonomy alignment, but voluntarily chooses to disclose information according to the following tables. Trianon has assessed that the activities that primarily describe the business are 7.7 Acquisition and ownership of buildings and 7.1 Construction of new buildings. Trianon's property portfolio mostly consists of properties in the existing stock, which are therefore not taxonomy-aligned. The properties in Trianon's portfolio that are in Energy Class A or are among the

top 15 percent in terms of the most energy-efficient buildings in the country have been deemed taxonomy-aligned. The newbuild projects under construction will have low energy consumption on completion that is equivalent to Energy Class A or among the top 15 percent in terms of the most energy-efficient buildings in the country. It has been decided to report investments in these during construction as not taxonomy-aligned, despite the fact that they will fulfil the requirements stipulated by the taxonomy on completion.

Turnover

Turnover				Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')										
Economic activities	Code(s) (2)	Absolute turnover (3), SEK million	Proportion of turnover (4), %	Climate change mitigation (5), %	Climate change adaptation (6), %	Water and marine resources (7), %	Circular economy (8), %	Pollution (9), %	Biodiversity (10), %	Climate change mitigation (11), Y/N	Climate change adaptation (12), Y/N	Water and marine resources (13), Y/N	Circular economy (14), Y/N	Pollution (15), Y/N	Biodiversity and eco-systems (16) Y/N	Minimum safeguards (17) Y/N	Taxonomy-aligned proportion of turnover, year 2022 (18), %	Taxonomy-aligned proportion of turnover, year 2021 (19), %	Category (enabling activity) (20) E	Category (transitional activity) (21) T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Acquisition and ownership of buildings	7.7	59.3	9														9				
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Acquisition and ownership of buildings	7.7	629.0	91																		
Total (A.1 + A.2)		688.3	100																		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Turnover of Taxonomy-non-eligible activities (B)		0.0	0																		
Total (A + B)		688.3	100																		

Operating expenses/Opex

Operating expenses/Opex				Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')							Minimum safeguards (17) Y/N	Taxonomy-aligned proportion of CapEx, year 2022 (18), %	Taxonomy-aligned proportion of OpEx, year 2021 (19), %	Category (enabling activity) (20) E	Category (transitional activity) (21) T
Economic activities	Code(s) (2)	Absolute OpEx (3), SEK million	Proportion of OpEx (4), %																			
A. TAXONOMY-ELIGIBLE ACTIVITIES																						
A.1. Environmentally sustainable activities (Taxonomy-aligned)																						
Acquisition and ownership of buildings	7.7	3.7	5														5					
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																						
Acquisition and ownership of buildings	7.7	78.2	95																			
Total (A.1 + A.2)		81.9	100																			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																						
Operating expenses of Taxonomy-non-eligible activities (B)		0.0	0																			
Total (A + B)		81.9	100																			

Capital expenditure/CapEx

Capital expenditure/CapEx				Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')							Category (transitional activity) (21) T Category (enabling activity) (20) E Taxonomy-aligned proportion of OpEx, year 2021 (19), % Taxonomy-aligned proportion of OpEx, year 2022 (18), % Minimum safeguards (17) Y/N						
Economic activities	Code(s) (2)	Absolute CapEx (3), SEK million	Proportion of CapEx (4), %																					
A. TAXONOMY-ELIGIBLE ACTIVITIES																								
A.1. Environmentally sustainable activities (Taxonomy-aligned)																								
Acquisition and ownership of buildings				7.7	0.0	0												0						
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																								
Acquisition and ownership of buildings				7.7	460.5	100																		
Construction of new buildings				7.1	79.4																			
Total (A.1 + A.2)					539.9	100																		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																								
Capital expenditure of Taxonomy-non-eligible activities (B)					0.0	0																		
Total (A + B)					539.9	100																		

Information

Information on Trianon's Annual General Meeting

The Annual General Meeting of Fastighets Aktiebolaget Trianon (publ) will be held on Thursday 11 May 2023 at 16.00 at the office of Trianon, Fredsgatan 21, SE-212 12 Malmö, Sweden.

Right to participate

The right to participate in the AGM is granted to a person who, firstly, is entered as a shareholder in the share register held by Euroclear Sweden AB with respect to the status on Wednesday 3 May 2023, and, secondly, has given notice of their intention to attend the General Meeting no later than on Friday 5 May 2023.

Any shareholder whose shares are registered to a nominee must reregister the shares in their own name to be able to participate in the Meeting. Such registration, which may be temporary, must be executed by Wednesday 3 May 2023, which means that the shareholder must inform the nominee in good time before this date.

Voting right registrations made no later than the second banking day after 3 May 2023 will be included in the production of the share register.

The Company has a total of 157,505,957 shares, of which 6,084,472 are class A shares and 151,421,485 are class B

shares. The total number of votes is 21,226,620.5. The Company does not hold any of its own shares.

Notification

Notification may be submitted in writing by post to Fastighets Aktiebolaget Trianon (publ), Fredsgatan 21, 212 12 Malmö (please mark the envelope "Annual General Meeting"), by telephone on +46 (0)40-611 34 00 or by email to arsstamma@trianon.se. The notification must state the shareholder's name, Swedish civil registration number/corporate ID number, shareholding, address, daytime telephone number and, where appropriate, the number of assistants (maximum two) whom it is intended to bring to the General Meeting.

Shareholders who are represented through proxies must provide the proxy with a written and dated proxy form. If the proxy is issued by a legal entity, a certified copy of the registration certificate or equivalent showing the authorised signatory for the legal entity must be attached. The original of the proxy form along with any registration certificate should be submitted to the Company in good time before the General Meeting at the address given above. A proxy form is available on the Company's website, www.trianon.se, and will be sent to shareholders on request.

Financial calendar

Interim report January–March 2023.....	4 May 2023
Annual General Meeting 2023.....	11 May 2023
Interim Report January–June 2023.....	13 July 2023
Interim Report January–September 2023 ...	31 October 2023

The reports will be available on www.trianon.se

For further information, please contact

Olof Andersson, CEO
olof.andersson@trianon.se, tel. +46 (0)709-54 57 20

Mari-Louise Hedbys, Deputy CEO, CFO
mari-louise.hedbys@trianon.se, tel. +46 (0)40-611 34 85



Trianon owns, manages, develops and builds properties in Malmö and its environs. We are an entrepreneurial property company that fully accepts its social responsibilities and is committed to providing sustainable accommodation.

We contribute to long-term, sustainable urban planning through our active engagement in our local area.

Fastighets AB Trianon

Address: Fredsgatan 21
Postal address: Fredsgatan 21
212 12 Malmö
+46 (0)40-611 34 00
info@trianon.se
Corporate ID No. 556183-0281
www.trianon.se